The National Underwriter
A WEEKLY NEWSPAPER OF INSURANCE
THURSDAY, OCTOBER 1, 1931



MONARCH FIRE INSURANCE COMPANY

CLEVELAND, OHIO

Statement December 31, 1930

Ohio Basis

ASSETS

Bonds—Market Value	$1,797,300.00	
Stocks—Market Value	1,020,794.00	
		$2,818,094.00
Real Estate—Market Value		391,085.50
Mortgage Loans		352,340.33
Cash in Banks and Office		122,059.19
Agents' Balances written Subsequent to October 1		325,282.56
Deposits with Underwriters' Associations		1,100.00
Reinsurance Recoverable on Paid Losses		5,338.09
Accrued Interest and Rents		21,939.47
		$4,037,239.14

LIABILITIES

Outstanding Losses		$ 198,006.00
Unearned Premium Reserve		1,207,883.35
Taxes, Expenses and all other Liabilities		98,360.27
Total Liabilities, except Capital		$1,504,249.62
Capital	$1,000,000.00	
Surplus	1,532,989.52	
		$2,532,989.52
		$4,037,239.14

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You cannot possibly know that your client is insured in accord with values of today, and that he has all the most necessary coverages unless you take a friendly interest in his needs . . . Fireman's Fund, Home Fire & Marine and Occidental Insurance companies, the Fireman's Fund and Occidental Indemnity companies. . .

SAN FRANCISCO

NEW YORK CHICAGO BOSTON ATLANTA

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-fifth year. No. 40. Thursday, October 1, 1931. $4.00 a year, 20 cents per copy. Entered as second class matter April 25, 1931, at postoffice at Chicago, Illinois, under act of March 3, 1879.



Understanding of the times and conditions has guided the Phoenix institution through 149 years of progressive existence.

DEPENDABLE
Established 1782
INSURANCE

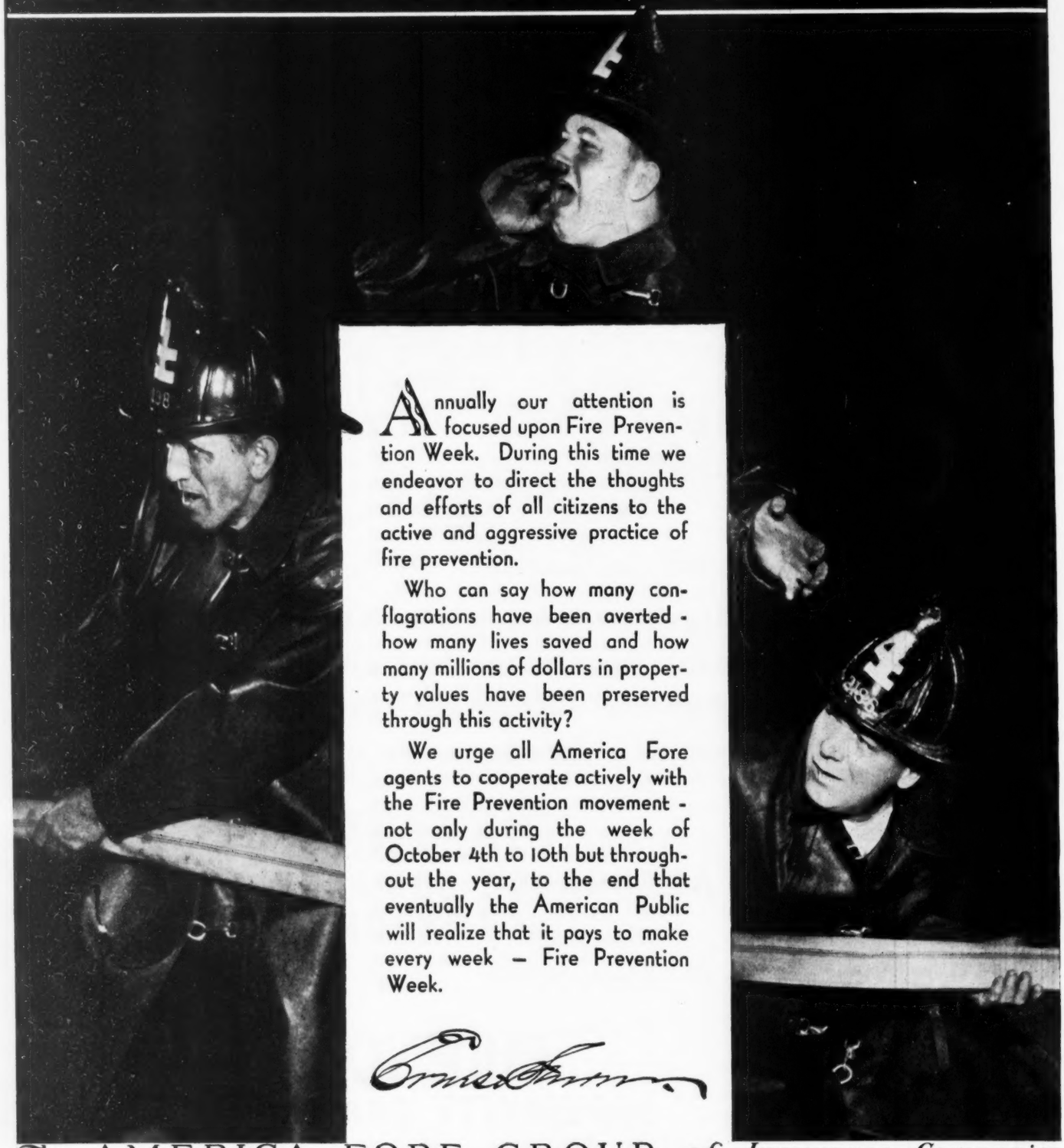
PHOENIX
ASSURANCE COMPANY, Ltd. of LONDON

150 WILLIAM STREET NEW YORK

PHOENIX
INDEMNITY COMPANY

55 FIFTH AVENUE NEW YORK

FIRE PREVENTION WEEK, OCT. 4 to 10th



Annually our attention is focused upon Fire Prevention Week. During this time we endeavor to direct the thoughts and efforts of all citizens to the active and aggressive practice of fire prevention.

Who can say how many conflagrations have been averted - how many lives saved and how many millions of dollars in property values have been preserved through this activity?

We urge all America Fore agents to cooperate actively with the Fire Prevention movement - not only during the week of October 4th to 10th but throughout the year, to the end that eventually the American Public will realize that it pays to make every week — Fire Prevention Week.

Ernest Sturm

The AMERICA FORE GROUP of Insurance Companies

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY
NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE

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THE FIDELITY AND CASUALTY COMPANY
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Eighty Maiden Lane, *New York, N.Y.*

NEW YORK — CHICAGO — SAN FRANCISCO — ATLANTA — DALLAS — MONTREAL

The National Underwriter

Thirty-Fifth Year No. 40 CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 1, 1931 $4.00 Per Year, 20 Cents a Copy

Western Bureau Holding Meeting

No Experiments Will Be Entered Into During These Days

TO TRAVEL BEATEN PATH

Reports Give the Results of the Work During the Six Months Since the Last Meeting

By GEORGE A. WATSON

BRIARCLIFF LODGE, N. Y., Sept. 30.—Though fully appreciative of the difficulties with which fire companies, in common with all other important business interests have had to contend during the past two years and which unfortunately continue to exist, members of the Western Insurance Bureau now holding their semi-annual meeting here, are far from feeling discouraged. Rather do they express confidence that brighter days for the country will dawn in the near future. Each is determined to do his part in hastening the arrival of the new era.

No Time for Experiment

Realizing further that the present is no time to embark upon experimental ventures, the Bureau is holding fast to established practices; counseling that these be modified only as need for such action be disclosed. The proceedings have been largely of a routine character. No new legislation has been enacted, or even proposed. It may be that such procedure will be taken at the concluding sessions though this is held unlikely.

Committee Reports Given

Following the address of President Ralph Rawlings and its reference for review to a committee of which E. E. Soenke, Security of Davenport, is chairman, and D. W. Crane, Ohio Farmers, and W. E. Wollaeger, Concordia, are members; reports in turn were had from Treasurer F. S. Danforth, and from Committee Chairmen H. A. Clark, board of directors; F. S. Danforth, uniform forms; D. W. Crane, publicity and education, R. S. Danforth, field clubs and F. D. Silber, general counsel.

The reports of the committes on uniform forms and on publicity and education followed closely those dealing with the same subjects presented at the gathering of the Western Underwriters Association at Manchester, Vt., two weeks ago. The two organizations cooperating in such connection.

Silber Reviewed Litigation

Mr. Silber reviewed briefly the situation in the several Missouri court cases and explained the latest proposed taxation measure in Cook county, declaring the determination of the fire companies to oppose it vigorously. The Cook county tax commission asserts its

(CONTINUED ON PAGE 15)

Companies and Agents May Find a Cleavage

LOS ANGELES, Sept. 30.—A number of the delegates and visitors who were attending the National Association of Insurance Agents convention stayed over a few days to see the sights, rest up from an arduous week and prepare for the homeward trek. The retiring president, Percy H. Goodwin, had a few special friends down at his home in San Diego as his guests. Altogether the convention was a most successful one from every standpoint. The local hosts headed by Eugene Battles stuck to their task to the very last.

After a party is over those remaining find a relish in talking things over and probably commenting on some of the people who were present. The past year has been one of great achievement in this organization. In no previous period has so much been done. The management of the association is receiving much praise for the way it has handled delicate situations and the results that have accrued.

All Members of a Fleet Involved

From a strictly association standpoint the one action that will cause more commotion than any other was the passage of the resolution recommended by the resolutions committee contending that if one member of a company fleet is declared to be in "intentional and continuous violation of certain principles declared to be essential to the proper conduct of the business of insurance" then all members of the fleet come in the same category. The resolutions committee declared that the convictions of management as to company practices in a given fleet are uniform. Therefore the committee avowed that when "one company in a fleet engages in unethical practices the underlying motive must be common to all."

Refers to the Firemen's Fleet

Of course this resolution was directed at the great Firemen's organization which ran afoul of the National association bank agency declaration many years ago when it appointed a Louisville bank as agent. Later the Girard was declared to have violated the bank agency principle, thus placing two of the Firemen's fleet on the non-cooperating list. While the National office has been urging state officers to see that their membership is purged, it has applied the separator only to these two companies of the fleet. It did not seek to disturb the agency relationship of the Mechanics, National Ben Franklin, Superior, Concordia, Capital Fire, Underwriters Fire of Concord or Milwaukee Mechanics. The comprehensive resolution now taking in all the members of the fleet will cause havoc in some state associations where the other Firemen's companies are freely represented.

Will Give a Year's Time

P. S. W. Ramsden of Oakland, Cal., the new president of his state association, after the resolutions were read arose and queried the president as to what should be the attitude of state bodies toward members of a fleet now brought under the ban. President Goodwin stated from the rostrum that in his opinion the executive committee of the National association would allow state organizations a year to clean house, as he put it. There have been a number of Firemen's and Girard agents that withdrew from their state associations rather than resign the companies. Some agencies resigned the companies. In some states especially the Milwaukee Mechanics and Concordia are well planted. The Superior and National Ben Franklin have a goodly number of agencies that are members of state associations. If the state officers therefore bear down on members of the rest of the Firemen's group there will be considerable of a conflict. Yet the National officers feel that it is the only consistent attitude they could take. They declared that the management of the Firemen's itself is the same as the management of any other company in the group. The policy pursued by the parent company is the policy that governs all.

Look to New Alignment

Out of this convention there undoubtedly was strongly developed in the minds of those who attended the thought that ultimately a company should be an organization company country wide or a nonaffiliated company. President Kurth of the Home of New York brought out this point in his forceful paper and the same observation was made by others. It was declared to be inconsistent for a company to be in an organization in one section of the country because it was to its best interest and then to be out of the organization in another because it desired to take advantage of conditions. The thought undoubtedly prevailed that ultimately there would be a sharp alignment of companies so that there will be uniformity as to affiliation the country over. Then both companies and agents would know whether a company was affiliated or nonaffiliated.

New Organization and Its Effect

The organization of the Fire Companies Executives Association will undoubtedly create tremendous influence in bringing about uniformity in all sections. This, many believe, is devoutly to be desired. The time may come when the organized agents will deal only with organized companies. In other words there will be nonaffiliated agents as well as nonaffiliated companies. Certain it is that the National association leaders feel that they can get nowhere unless they have an authorized and responsible body with which to deal. Now that the company executives have organized, the way is paved for a conference on vital mutual topics.

Furthermore this conference idea growing as it is in importance has extended itself to casualty and surety fields. The National Bureau of Casualty & Surety Underwriters and the Surety Association of America have both recognized the conference principle and have committees appointed to deal with the National Association of Insurance Agents.

The pronouncement of Percy H. Goodwin, the retiring president, that an agent has no right to represent a surety company maintaining rates and a cut rate company at the same time has gone a long way in establishing in the minds of company officials that the agents themselves are recognizing the principle of regularity. If the organized agents intend to support the organized com-

(CONTINUED ON PAGE 15)

Speculate on Head of Executive Body

Scope of New Association's Authority Not Yet Fully Determined

PROCEED WITH CAUTION

President Will Not Have Arbitrary Power but Will Be Mediator and Investigator

NEW YORK, Sept. 30.—Speculation as to the plans of the Insurance Executives Association and as to the person likely to be chosen its president continues keen and probably will until final announcement is made. It may be stated with considerable definiteness that thus far the scope of the association's authority and the means whereby its decisions are to be enforced have not been fully determined upon. These will have to be arrived at during subsequent meetings of signatory company officials. The early rumor that the president of the organization will have arbitrary power and that there will be no appeal from his decisions, apparently is erroneous. R. M. Bissell, chairman executive committee, states that whoever is chosen as head of the association, will "act as investigator and perhaps as mediator," the disposition of each case to be in the hands of the central committee.

No Official Candidates

Aside from a general agreement that the party desired as president must be one outside the fire insurance ranks and hence not subject to bias in his judgments, no name for the post has yet been officially considered and the prediction in inner circles is that no selection will be made before the first of the year. The executive committee to which is entrusted finding a suitable person is determined to proceed in the quest with the utmost circumspection. The names of parties that may come under review will be treated with the utmost secrecy, managers having experienced embarrassment in selecting a head for the Fire Companies Adjustment Bureau because of the excessive general discussion of the various candidates' merits.

Veteran Official Talks on Losses

C. R. Street Stresses Importance of Adjuster's Work to Companies

NEED FOR REAL ABILITY

Observations Made as to Attributes Necessary for Success in Handling Claims

Vice-president C. R. Street of the Great American group in Chicago in charge of the western department spoke before the adjusters' association in Minneapolis Monday on the "Adjuster and His Duties." Mr. Street said that in normal times much more than 50 percent of a company's actual outlay is disbursed for losses. Therefore he feels in these days of high expense ratios those that adjust losses have in their hands the determination of the difference between a profit or an even break or an absolute loss in company operations. He said that during the heyday times and the world war period it mattered little whether a claimant was paid 53 or 50 percent for a loss except that a claimant would be spoiled for all times.

Adjusting Claims on Merit

In the leaner years with decreased premiums and increased moral hazard, he declared it is important that every claim should be adjusted strictly on its merits if as much as an even break is to remain. Mr. Street like all other reputable officials does not permit underpayment of losses where there is legal or moral liability. He said that he would discharge a man who knowingly offered an honest claimant 99 percent of his loss. On the other hand, he said the time has come when he would unhesitatingly dispense with the services of an adjuster who knowingly paid a claimant 101 percent, because such an adjuster on the face of it is incompetent. If any donation is to be paid company officials themselves reserve the right to determine the amount.

Western Adjustment Organized

Mr. Street recalled the days when field men did all the adjusting. Not all were qualified by temperament, training or general knowledge of the insurance contract, of values or human nature to do this work. As business grew and became more complex, field men were to a large extent relieved of loss work. It was owing to this change that the Western Adjustment, a pioneer in the field, was organized. That was the beginning of specialization in insurance. The Western Adjustment and the Underwriters Adjusting, both of Chicago, he said, have attracted high grade talent and have built up a large business. He said, however, there is a place for the independent adjuster but he must be equal in talent, accomplishment, probity with the bureau men. He is not advocating, he said, the elimination of the independent adjusters who are a credit to the business. He said that a monopoly, even though company owned, needs to be very strongly regulated and watched because there is danger of it becoming arrogant and inefficient.

National Board's Move

He called attention to the Fire Companies Adjustment Bureau under the auspices of the National Board, stating that the first efforts were to effect a rectification of the unbearable condi-

(CONTINUED ON PAGE 16)

Western Bureau Officials Meeting



RALPH RAWLINGS, Cleveland
President



HERBERT A. CLARK, Chicago
Chairman Executive Committee

Ransom's Proposal for New Treatment of Rating Risks

C. O. Ransom of Cleveland at the Los Angeles convention of the National Association of Insurance Agents in one of the group conferences presented a motion asking for a readjustment in rates, which in the aggregate will mean no reduction in the total premium revenue but instead a final increase in volume. Mr. Ransom's resolution which was recorded and passed at the group conference provided that the executive committee of the National Association of Insurance Agents consider referring to the national council for consideration and recommendation the question of schedule revision looking toward higher penalties for defects in poorer risks and lower rates for good risks of the type subject to outside rate competition and that the executive committee also refer to the national council for the same purpose the question of whether it would be advisable to urge the ultimate extension of schedule rating to all lines of insurance and surety bonds.

Mr. Ransom feels that the best classes of risks in a particular line are subject to strong competition because the loss ratio is much lower. The poorer risks are not sought after and therefore competition is much less. He feels therefore there should be a revision in the rates so that the better class will receive more consideration and the poorer ones less.

Combined Fire-Tornado-Hail Contract Expected in Texas

DALLAS, Sept. 30.—There is a reasonable right to expect the board of insurance commissioners and the companies doing business in Texas will agree to a combined, fire-tornado-hail policy, insurance men say. The board heard arguments for and against the proposed combination policy in September and probably will announce its attitude toward the case in the near future.

The principal discussion at the hearing concerned the rates applicable on the Gulf coast as compared with the inland territory. The Texas Association of Insurance Agents is advocating the combination policy.

CONDENSED NEWS OF WEEK

Western Insurance Bureau held its annual meeting at Briarcliff, N. Y., this week. **Page 3**

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Much speculation regarding appointment of a president for the Insurance Executives Association. **Page 3**

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Heavy automobile theft losses in Chicago bring agitation for rate increase. **Page 4**

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President Rawlings and Executive Committee Chairman H. A. Clark of the Western Insurance Bureau give reports at the semi-annual meeting. **Page 5**

* * *

National Fire Waste Council asked to launch energetic educational campaign to curb farm losses at Washington meeting. **Page 6**

* * *

Companies forced to take over agencies to straighten out delinquent balances. **Page 6**

* * *

Wyoming Association of Insurance Agents is organized with H. F. Farnsworth of Riverton as president. **Page 27**

* * *

Chicago Casualty Control plan hits snag with adverse report of managers committee on increased general agency overriding commission and action of agents at White Sulphur. **Page 33**

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International Association of Casualty & Surety Underwriters and National Association of Casualty & Surety Agents hold annual meetings at White Sulphur Springs. **Page 33**

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C. R. Street stresses importance of able adjusting. **Page 4**

* * *

U. S. Senator Hebert questions casualty-surety men at White Sulphur convention on quality of citizenship. **Page 14**

* * *

Conference at Los Angeles during meeting of National Agency Association discusses possibility of extending local board membership to casualty agents. **Page 35**

* * *

Superintendent Foster of Ontario tells casualty-surety men at White Sulphur uniformity in auto responsibility laws of two countries is essential. **Page 35**

* * *

Many company officials express regret over failure of National Convention of Insurance Commissioners to take up Lloyds competition. **Page 34**

* * *

Federal Surety will be wound up and a permanent receiver appointed. **Page 34**

* * *

National Bureau of Casualty & Surety Underwriters reports on 1930 casualty experience under 18 classifications. **Page 35**

* * *

Governor Ely makes recommendations to Massachusetts legislature for changes in compulsory automobile law. **Page 34**

Auto Theft Losses in Chicago Mount

Companies Writing Considerable Volume There Show Loss Ratios 100 to 150 Percent

SOME WANT RATE HIKE

Other Faction Urges New Arrangement With Police Will Cut Thefts —Wants It Given Fair Trial

Companies writing automobile business in Chicago have become thoroughly aroused over the heavy theft losses which have occurred since the first of the year and which show no signs of decreasing. The companies writing any volume of theft business in Chicago show loss ratios for their operations this year ranging from 100 to 150 percent. Numerous meetings of automobile writing companies have been held and there now appears to be two factions, one favoring an increase in theft rates and the other of the opinion that no attempt at an increase should be made, at least for the present.

Street Parking Increases Losses

Since the depression became acute in Chicago there are thousands of automobile owners who are no longer putting their cars in garages at night. Instead they are parking them on the street, in empty lots or any place else that is convenient. Those who have studied the situation say that the sharp increase in the number of ungaraged cars is responsible to a large extent for the continued heavy theft losses. Two of the companies writing a very large volume of automobile business in Chicago and carrying a number of big finance lines are advocating an immediate increase of 50 percent in theft rates. They point out that even if such an increase is made it is likely to bring their theft loss ratio down to only between 50 and 60 percent. They assert that it is not possible to go along under present conditions without getting a rate increase of at least 50 percent and declare that they are unsympathetic with any plan which would cause a delay in increasing rates.

New Deal With Chicago Police

The automobile writing companies opposed to a theft rate increase at this particular time point out that the automobile interests have just made a new deal with the Chicago police department. They feel that the new lineup will considerably improve Chicago theft conditions. They contend that not only will thefts be reduced, but the amount of money involved in recovering cars will be smaller. Formerly the police were paid a reward in connection with the recovery of every stolen automobile. For example, the reward usually paid for the recovery of a stolen Ford was $25. Under the new arrangement, a policeman recovering a car is to be given a reward only if his work in connection with the recovery has been meritorious or of an unusual nature. If someone simply telephones in to a police station to the effect that a car has been standing on their street for two or three days and seems to have been stolen and abandoned, no reward will be paid for such a recovery because it involves no unusual service on the part of the police. It is only when the police are beset with difficulties and exercise some ingenuity in effecting a recovery that rewards are to be given them.

(CONTINUED ON PAGE 17)

Rawlings Praises Special Agents

Western Insurance Bureau President Emphasizes Value of Field Work

CLARK GIVES REPORT

Executive Committee Chairman Reviews Activities of the Organization During Six Months

BRIAR CLIFF, N. Y., Sept. 30.—Ralph Rawlings, head of the Monarch Fire, who is president of the Western Insurance Bureau, in his address before that body declared that the last two years have been particularly trying ones in fire insurance. The depression has affected all business. There has been a decided loss in premium income and a trend toward higher loss ratios. He said that the Bureau companies have weathered the storm in satisfactory shape. The loss ratio on dwellings and small apartment buildings has increased materially. Normally this kind of business is profitable. Abnormal conditions have put it in a different column. The collapse of the real estate market has had much to do with it, in his opinion. Properties have been insured for the amount of the mortgage and even more. This with the reduction in the mortgage leaves an equity which has been converted into cash through the insurance route. Mr. Rawlings said that in scanning loss reports one certainly finds the number of "cause unknown" fires has greatly increased. Cigarette losses have become more frequent.

Could Improve in Distribution

President Rawlings opined that the companies could perhaps distribute insurance money to better advantage. According to present market averages, commodities and building costs are much lower than they have been. Very often in case of loss the companies arrive at the cash valuation and turn the money over to the assured, who in a number of instances has no idea of rebuilding. He uses his money for other purposes. Mr. Rawlings therefore feels that the companies might make replacement instead of paying the loss in cash and thus restore the value of the property to the owner in this way. This plan, he said, would give more work to architects, carpenters and building trades people of all kinds.

Tribute to the Field Men

In speaking of the work of the special agents and the curtailment of field expense, Mr. Rawlings stated that in his opinion the field man is a very essential factor and a valuable adjunct to the operations of the company. He said that the bulk of the business depends on the ability of field men to make valuable connections. It is the business of special agents to put before local agents insurance knowledge so that they can in turn provide their policyholders with proper coverages. There are some field men naturally who are not alert and are rushing through their work in order to indulge in other activities.

Measures Up Well

Taking the field force as a whole, however, Mr. Rawlings declares that it measures up admirably well with any other element in a company's personnel. He said: "If we are to build up an enviable business we must give more consideration to the selection of our field

(CONTINUED ON PAGE 17)

Made Big Hit



CLARENCE T. HUBBARD
Assistant Secretary Automobile of Hartford

One of the big hits at the Los Angeles Convention of the National Association of Insurance Agents was the address of Assistant Secretary Clarence T. Hubbard of the Automobile of Hartford. He always has something to say worth while and links his philosophic material up with insurance. Then he introduces some clever sleight of hand tricks which always take the audience by storm.

New Speakers Are Added to Advertising Men's Program

Three new speakers, who are experts in as many branches of advertising, have been added to the program of the Insurance Advertising Conference Oct. 4-7 in Toronto.

W. P. Burn, eastern manager, American Newspaper Publishers Association's bureau of advertising, will speak at luncheon Oct. 6 on "Insurance and Advertising."

C. C. Parlin, head of the "Saturday Evening Post's" research department, will speak Oct. 7, and at the opening session Arthur Lisner, Toronto School of Art, will talk.

Much Concern Felt About Farm Cover in Some Parts

MINNEAPOLIS, Sept. 30.—Farm insurance in some sections west of the Mississippi is in a chaotic state. Values are low, farmers are devoid of cash for premiums and in some states, particularly the Dakotas, they are deeply in debt and reported to be abandoning their farms. Having the greater volume and bearing the brunt are the mutuals. Losses are particularly heavy in all of the agricultural states and many fires bear suspicions of being incendiary but lacking positive proof. Another feature causing concern is that many mutuals have bank agents or collectors and with the closing of many banks, balances owing the companies will be tied up awaiting liquidation.

Blue Goose Insurance Committee

L. C. Buchanan of the California Blue Goose, Los Angeles, has resigned as a member of the insurance committee of the grand nest. Mr. Buchanan declined to reconsider his determination not to serve. D. M. Pollard of the South Texas pond has been elected chairman of the committee and Henry L. Rose, retiring most loyal grand gander, is the new member of the committee.

Interesting Discussion on Local Board Activities

At the breakfast conferences during the convention of the National Association of Insurance Agents at Los Angeles at which local board problems were discussed, there was much interest developed. There were three groups zoned as to population. One group, presided over by Allan Wolff of Chicago continued its deliberations at luncheon. Mr. Wolff stated that a new organization has just been launched in Chicago called the Chicago Insurance Agents Association which is purely an agency organization and no salaried managers are allowed.

Troxell Tells of Springfield Plan

R. W. Troxell, Springfield, Ill., told of the success of the agents in his city in charging 50 cents for every endorsement and a policy fee of $1 where the premium is less than $5. If two transactions occur at the same time the charge for the second is 25 cents. Mr. Troxell said that the charge was justified because this is an additional service not contemplated in the original commission. Usually in case of loans, policies get into other hands and the service is largely for them. He said that this charge is not made where brokerage is sent by outside agents. His office secures $1,500 a year from these fees. The rule applies only to fire and tornado insurance. The $1 fee is charged in case of cancellation where the net earned premium is less than $5.

Eugene Battles of Los Angeles said that its local board has a rule charging 25 cents for an endorsement. Banks and trust companies, he declared, are easily educated to pay this amount.

Tells of the Oakland Plan

P. S. W. Ramsden, Oakland, Cal., explained the plan of its board in handling all municipal property. He acts as the executive manager and employs one man and a girl to do the work. The entire commission is paid to this department of the board. The money is used for local board activities and a distribution is made yearly from the residue to members. He said that the public officials are entirely satisfied with the plan. The distribution is made equally among the offices. The insurance is placed proportionately among the company fleets and local agencies after all factors are carefully considered. There is an advisory committee of three with whom Mr. Ramsden consults. There are seven different bodies to deal with in handling this insurance. A complete survey of the municipal insurance needs was made at the start and much new business has been developed. The premiums amounted to $15,000 when the plan started and now the sum is $125,000 due to new coverages that have been created.

New York City Statement Read

A. J. Smith, a New York City agent, presented a statement from the New York City Fire Insurance Agents Association. He stated there is no direct business in New York City. It all comes from brokers. The fire premiums last year amounted to $13,410,000, a decrease of about $3,200,000. He said 57 percent of the yearly premiums go to salaried offices. The statement declared that the salaried office was conducted at a greater expense to a company than if the business were handled through an agent. The salaried office, he said, can pay excess commission in various ways. He declared that the companies that take advantage of the salaried office system to divert business from the regular agents should be pilloried publicly. He held that the Interstate Underwriters Board plan as originally announced was excellent but he declared it had departed far from that course. He said that resident agents are entitled to a share of the commission on all business in their territory. He criticized companies for including fire coverage in inland marine policies giving a lower rate than would be the case if specific fire insurance was written.

At one conference P. K. Weis, Moberly, Mo., presided over a group of some 50 agents who reside in towns up to 50,000 population. Mr. Weis spoke on why the National association is interested in the organization of local boards. He said that the local board is the bulwark of an agents association and that it is plainly the duty of each agent in towns where there are no boards to get one organized. This, he said, is the best way to serve the National association. Where there is a local board each agent should encourage all of the insurance men to cooperate. He said that the field men will do all in their power to advance the board movement. Mr. Weis further outlined the operation of local boards and the advantages to the agents and public.

John D. Saint Spoke

John D. Saint, manager Louisiana Insurance Society, told of methods having to do with making the local board an effective institution. He suggested that members get those outside to join on a coextensive basis, this embracing membership in the state and National associations. He said that in 1930 approximately 91 percent of the fire business was written by fleets of companies in sympathy and accord with the association. Following Mr. Saint's remarks a general discussion was held on the nonboard and mixed agency situations in various cities.

Chairman Frank T. Priest of Wichita, Kans., had charge of the group ranging from 50,000 to 250,000 population. They featured the local board influence to induce better protection of municipal and county property, the importance of local advertising, and the need of a standardized set up for creating and regulating local agency boards.

Harry Schroeder of Oakland, Calif., explained the famous Oakland plan. It has achieved success because it is equitably created. All agents participate in the profits of municipal lines, not from the commissions, but from an annual dividend distributed at the end of the year.

Advertising of boards was discussed, led by Past President R. P. DeVan of Charleston, W. Va. The plan is advocated of local agents using newspaper space to feature their board's functions, signing same to disclose those who are supporting sound underwriting practices.

The group voted to ask the National association to establish an official form for organizing and managing local boards.

Ohio Insurance Directory Is an Old Publication

The 1931 edition of the Ohio insurance directory is off the press of THE NATIONAL UNDERWRITER. This directory takes on new importance this year in view of the Ohio home company section which gives information as to Ohio companies. This furnishes an excellent lot of information for people that are interested in the companies of Ohio which are growing in importance. The Ohio book this year is the 37th annual edition. This is the oldest book gotten out by THE NATIONAL UNDERWRITER. It is complete in its information as to companies, state information, local agents in every town and city and the companies they represent. It is a reference book worth while.

Fire Waste Council Urged to Campaign on Farm Loss

GOSS INTRODUCES NEW PLAN

Hundred Million Dollar Annual Toll Deplored at Washington Meeting —Franklin Gives Talk

WASHINGTON, D. C., Sept. 30.—Necessity of an energetic educational campaign to arouse interest among the farming population in the prevention of farm fires was stressed at the semi-annual meeting of the National Fire Waste Council here last week. The annual fire loss on farms is estimated at $100,000,000 in property and 3,500 lives.

The farm fire loss accounts for about one-fifth of the total property value destroyed by fire throughout the entire country and about one-third of the loss of life. A majority of the farm fires are preventable, it was declared, but a strong campaign of education is needed to enable the agricultural population to deal intelligently with fire hazard problems.

Slight Gain in Enrollment

Despite the lengthy depression, which has resulted in a number of local chambers of commerce severing their connection with the national organization and thus automatically dropping out of the inter-chamber fire prevention contest, it was reported, there has been a slight gain in the number of chambers enrolled during the past six months, with 669 cities now entered. Reports from these communities will be received shortly after the end of the year and will be graded in order that awards may be made at the annual meeting of the United States Chamber of Commerce next spring.

Guy Beardsley, vice-president Aetna, chairman of the fire waste council committee of the chamber's insurance committee, opened the meeting and A. T. Bell of Atlantic City was elected chairman.

Goss Promotes New Plan

Wallace Rogers, Chicago, in charge of the National Board's advertising, reported the activities of the agricultural committee. I. D. Goss, farm department manager America Fore, introduced two resolutions, which were passed, to secure the active aid of the Boy Scouts of America and the Boys and Girls 4 H Clubs in fire prevention work. Mr. Goss and Mr. Rogers will confer with leaders of these organizations in Washington and New York. The amplification of the Boy Scouts' manual is being sought to include a broad working knowledge of fire prevention.

A visual demonstration of fire hazards, showing various types of gasoline explosions and hazards in the handling of chemicals, was given by T. Z. Franklin, manager special risk department Automobile. An address on what the national and local safety councils are doing to promote interest in fire prevention was delivered by George Opp, safety engineer Detroit Edison Company, and Harvey Campbell, vice-president and secretary of the Detroit board of commerce, spoke on "Acts of God" as applicable to fire.

Crowe Made a Director

Former State's Attorney Robert E. Crowe of Chicago has been elected a director of the Metropolitan Fire of Chicago. Mr. Crowe is head of the law firm of Crowe, Gorman & Savage and is a brother-in-law of James I. Naghten, vice-president of the Metropolitan.

Directors of the **Fireman's Fund** have declared the usual dividend of $1.25 per share for the quarter ending Sept. 30.

Local Agents Discuss Plans for Improving Their Business

Seventy-five alert large town agents, good speakers all, spent four hours together last week in the luncheon conference of the National Association of Insurance Agents at Los Angeles discussing methods for increasing their premiums in times of depression. The leader was Charles L. Gandy of Birmingham. Chief in the proposals was a clarifying of methods whereby local agents may enlarge and control their town's municipal insurance. Other topics discussed were the value of surveys, appraisals and other individualistic services to clients to more adequately service them.

Experiences Were Given

The entire group individually related their home towns' practices in writing school houses and other public buildings. It was brought out in many instances that the most dependable method lies in handling such insurance through local boards. Many agents present detailed this plan. It consists of contacts through special committees with the local authorities, budgeting and properly inspecting and otherwise servicing the properties, and writing the insurance through one agency, in many instances, in only one company, the distribution of the line among local agencies being by methods of apportionment agreed upon in advance by board offices.

Adjustment of Losses

Such a plan permits adjustment of losses through one channel, the payment of same in one check. The experience in many cities has been highly gratifying where the board itself pays the loss check. In many boards the commission derived from this business is impounded and used for purposes of general welfare for the best interests of the local agents in the organization to better public appreciation of their business, creating a keener public appreciation of the business and those who represent it as a by-product of value. The agents become known as desiring to increase civic pride and better protect the public property of the community. Their identity as superior citizens is tied in with their service as insurance agents.

Politics was revealed as the stumbling block in properly handling community property. Success has crowned many cities in the substitution for favoritism in passing out insurance on public property of skilled impartial advice and adequate coverage. The boards successful in this work have stamped the local agent as being the reliable source of insurance advice. Some towns, notably Mr. Gandy's home place, Birmingham, look after the better housekeeping of schools through their boards.

The meeting revealed many valuable results from using the survey form both for mercantile lines and dwellings. The household inventory was urged as a feeder for added premiums and should be more universally employed.

Attention to Sidelines

The better attention to so-called sidelines was urged, the speakers testifying as to the increase in premiums secured through suggestions for added protection, often merely by a telephone call to stress some special offering. With this thought was also brought out the connection of reliable appraisals on key properties that adequate coverage might be serviced, the assured, it was revealed, often gladly paying for this service to assure himself of his risk being properly covered.

Three ex-presidents participated; James L. Case, Norwich, Conn.; Frank L. Gardner, Poughkeepsie, N. Y., and R. P. DeVan, Charleston, W. Va. Frank D. Creighten was present from Honolulu. Mr. Gandy announced that the National association was considering the need of an official uniform blank for use by agents to analyze the policies of their clients.

Albert Dodge, Buffalo, presided over a group of approximately 25 agents whose premium production was over $300,000 a year. Many problems affecting the business were discussed, the principal matter seeming to be the aggressive competition on the part of mutual and reciprocal companies. Since these carriers solicit the best risks they naturally affect the larger agencies to a more marked degree. It was suggested that mutual competition should not be as keen now as in the past largely because of the financial situation which would affect the resources of the mutuals as well as other institutions.

Cooperating in Rate Making

It was thought that the one existing gap between the companies and agents is the matter of rates. The opinion was that the agents could be of much assistance in cooperating with the rate making body and should be consulted since they are the salesmen of the companies. Several thought that mutual and reciprocal carriers are in real competition particularly the large factory and hardware mutuals. They go after the best risks, have the experience and give lower rates.

Among the suggestions was asking the companies to charge higher rates for the poorer classes of business, they being the risks on which there is no competition and to reduce the rates on the better classes, this being the business that is sought by the mutuals. It was announced at the meeting that New York and Wisconsin have recently insisted upon mutuals filing schedule of their rates.

The subject of handling solicitors and the problems common to the solicitor received some attention. The brokerage business also came up for discussion. Other matters were the salvaging of cancelled business and methods of handling details in the office.

Many Important Cases to Come Before Supreme Court

Insurance cases to come before the United States Supreme Court this winter include the following:

The agency license law of Oregon, imposing fees for appointment of agents for any one company in any town above a given number.

The Minnesota standard policy making arbitration compulsory and conclusive.

The effect of a loss payable clause in abrogating the prohibition against a chattel mortgage. This is in the case of Sun vs. Scott.

The question whether a gasoline permit for specified purposes totally abrogates the policy prohibition against having gasoline on the premises. In this case the gasoline was used for a still, not specified in the permit. St. Paul Fire & Marine vs. Bachmann.

In Taylor vs. American Liability, the insured kept the policy without reading it. The policy made representations in the application a part of the contract, and the representations were false, but the assured claims that they were inserted in the application by the agent without his knowledge.

In American Automobile vs. Castle, Roper & Mathews the assured claims he told the agent he wanted certain coverage, and the agent more or less confirms this allegation, but the coverage was not written into the policy. The assured seeks to have the policy reformed so as to give the coverage.

The constitutionality of a Georgia license fee is questioned in Brannan vs. Harrison.

Companies Forced to Take Over Delinquent Agencies

LIQUIDATE AS LAST RESORT

Special Agents Form Committee—Bank Failures Made It Hard to Meet Balances

NEW YORK, Sept. 30.—In order to secure overdue balances fire companies have been compelled to take over a number of local agencies in different parts of the country during the past six months. It is likely that many more will be added to the list before the close of the year. The procedure in cases of this kind is to form a committee composed of special agents of companies represented in the defaulting local office, naming as chairman of such committee the special whose account is longest outstanding. Starting from scratch the committee, after allowing the agent a percentage of commissions on his current business for salaries and overhead, applies the remainder each month to liquidate overdue balances. The companies most in default are the last to be paid upon the theory that they should be thus penalized for allowing too extended credit.

Preferable to Continue Agency

While it is always preferable to continue a local agency, especially if it be long established and produces a substantial volume of premiums, it is necessary at times to sell the office, although this is done only as a last resort. Many local agents have been financially embarrassed through the failure of home banking institutions and the refusal of others to lend financial aid. Unable to borrow in anticipation of commission renewals and in many cases caught in unfortunate real estate ventures as well, agents have been compelled to see their affairs taken over by their companies until overdue balances are liquidated.

Seinsheimer Elected Head of American Fire & Marine

Sealy Hutchings, president American Fire & Marine of Galveston and its affiliates, has resigned to devote his entire time to his banking interests. J. F. Seinsheimer has succeeded Mr. Hutchings. Mr. Seinsheimer has been vice-president of the American Indemnity and the Texas Indemnity and now will head all three companies. He is president of the United States Securities Corporation and the San Luis Hotel Company.

Mr. Seinsheimer is a native of Galveston and already had become a considerable factor in the insurance business there, when the American Indemnity was organized in 1913 under the control of the banking house of Hutchings, Sealy & Co. and Mr. Seinsheimer became its general manager. Later the other two companies were organized and Mr. Seinsheimer became vice-president of both of them.

Starts New Department

The western department of the American of Newark at Rockford, Ill., has established an improved risk department in charge of J. B. Andrews. This revision in the underwriting department calls for the segregation of all sprinklered business, use and occupancy, explosion, riot and civil commotion sprinkler leakage, traction lines, power plants and kindred business under the supervision of this new office. It is also planned to have all brokerage business pass through Mr. Andrews' hands. Mr. Andrews, formerly examiner for Indiana, has devoted considerable thought and study to the problems generally confronting a special risk department.

Matteson Heads Minnesota Body

Annual Meeting of the State Insurance Federation Held in Minneapolis

LEGISLATION CONSIDERED

Work Acomplished During the Last Session Was Reviewed by the Officers

MINNEAPOLIS, Sept. 30.—Legislative matters, past and prospective, came in for the major attention at the annual meeting of the Insurance Federation of Minnesota held here.

Although this is an off year in a legislative way, there being no session until the winter of 1933, the spectre of a special session is hanging over the state, and if one is called it would undoubtedly take up two matters of vital importance to insurance, a state income tax and unemployment insurance. The federation went on record as opposed to a special session.

Two Legislators Spoke

Two members of the last legislature were invited to attend and talk briefly. They were Senator Charles N. Orr and Representative J. R. Sweitzer, both of St. Paul, and both chairman of the insurance committee in their respective houses. They discussed the legislative situation at the past session when 130 measures were introduced affecting the insurance business. Only a few of them were passed and none of them of serious import.

The legislative committee, headed by J. M. Harrison of Minneapolis, also reported on the work accomplished at the last session and recommended that the method pursued of making contacts with members of the legislature be continued. Chairman Harrison said that fully 75 percent of the bills presented on insurance last winter were a menace to legitimate insurance.

In his report, Secretary Clyde B. Helm said that he has sought the sentiment of members on the advisability of promoting a "Minnesota Insurance Day" and found that most of those consulted believed it would be better to postpone such a move until times change.

Officers Elected

H. H. Matteson, president, St. Paul, and most of the other officers were re-elected. They follow:

Vice-Presidents—C. M. Bend (surety), St. Paul; John A. Buxton (trade mutuals), Owatonna; Geo. W. Harsh (fire), Minneapolis; O. W. Kolshorn (farm mutuals), Red Wing; Louis L. Law (field men), Minneapolis; L. C. McGee (health and accident), St. Paul; P. F. Otis (casualty), Duluth; E. W. Randall (life), St. Paul.

Secretary-Treasurer—Clyde B. Helm, Minneapolis.

Board of Directors—C. T. Blomgren, Cambridge; W. L. Brooks, Bemidji; G. W. Chadbourne, Brainerd; O. J. Eastman, Minneapolis; H. C. Gildmeister, Gaylord; Thos. Gill, Virginia; Fred E. Hodgson, Fergus Falls; E. C. Huhnke, Duluth; R. W. McCarry, Stillwater; John P. McGee, St. Paul; A. G. Meile, New Ulm; J. A. Melone, Rochester; A. C. Page, Austin; N. B. Peake, Winona; A. P. Rose, Marshall; Donald J. Scott, Fairbault; C. C. Strander, Crookston; H. L. Strom, Jackson; B. A. Whitmore, Montecideo; Theo. Williams, Mankato; H. G. Young, St. Cloud.

Executive Committee—Alexander Campbell, chairman, Minneapolis; O. D. Hauschild, Minneapolis; E. M. Heinselman, Duluth; R. B. Meinhauser, St. Paul; C. H. VanCampen, Minneapolis.

Finance Committee—F. C. Esterly, chairman, Minneapolis; P. F. Otis, Duluth; M. J. Rogers, St. Paul.

Legislative Committee—George W. Wells, Jr., chairman, Minneapolis; O. D. Hauschild, Minneapolis; H. L. Hjermstad, Red Wing; John P. McGee, St. Paul; A. H. Stofft, Minneapolis; W. A. Williams, Minneapolis.

Missouri Insurance Day Arrangements Completed

E. J. Schofield, vice-president of Globe Indemnity, has consented to represent casualty insurance on the program for Missouri's third annual insurance day to be observed at Jefferson City Oct. 13. As previously announced Col. C. B. Robbins, president Cedar Rapids Life and of the American Life Convention, will be the life insurance speaker, while fire insurance will be represented by John F. Stafford of Chicago, western manager of the Sun.

Governor Caulfield, who was to have spoken at the banquet Oct. 12 under the joint auspices of the Missouri Association of Insurance Agents, Missouri State Fire Prevention Association, the Blue Goose ponds of St. Louis and Kansas City, the Great and Jovial Order of Cat's Meow, and the local Life Underwriters Associations of St. Louis and Kansas City, has found that it will be impossible for him to be present. Instead Lieutenant Governor E. H. Winter will address the gathering. J. B. Thompson, superintendent of insurance for Missouri, will also speak at the banquet.

On October 12 the thirty-second annual onvention of the Missouri Association of Insurance Agents will be held at the Missouri Hotel, Jefferson City, while meetings of the Cats Meow, the Blue Goose and Missouri State Fire Prevention Association will also be held.

Wickser on Relief Committee

P. J. Wickser, chairman of the board of the Buffalo, has been named by Governor Roosevelt as a member of the committee of three to direct administration of the $20,000,000 fund appropriated by New York State for unemployment relief.

A. C. Wallace Is Ill

A. C. Wallace, Illinois state agent of the New Hampshire, is in the Ravenswood Hospital in Chicago seriously ill as a result of an infected tooth. He will probably be confined to the hospital for some time.

Washington Officials Named

SEATTLE, WASH., Sept. 29.—Appointment of a secretary-treasurer and two regional vice-presidents is announced here by the Insurance Agents League of Washington. W. F. Bridgeford of Yakima has beeen appointed secretary-treasurer by President W. W. Miller. Bruce Hay of Spokane will assume the duties of a regional vice-president in the territory represented by eastern Washington and George R. Thieme of Seattle will do corresponding work in western Washington. Both men are also members of the executive board.

Chicago Celebration

Harry K. "Smoky" Rogers of the fire prevention department Western Actuarial Bureau will present his fire clown act at the Hotel La Salle, noon, Oct. 7, as a part of Fire Prevention Week activities in Chicago under auspices of the Chicago Board.

Two Members Resign

Two resignations from the Chicago Board by Class 1 agents were accepted at the meeting of the governing committee, those of Mrs. V. E. Nordquist of the W. J. Foster office and H. DeRoode, of H. DeRoode & Co.

A Favorable State of Mind

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"The prime function of advertising is to create a state of mind".

Advertisers should never lose sight of that. In its advertisements a company may refer to its size, age, strength, reliability, service or anything else, but all it is really trying to do is to create a favorable state of mind among readers. It wants the reader to feel the same way about the company as the man who writes its advertisements.

Favorable public opinion, the right state of mind toward a company, cannot be created in a week, a month or even a year. It certainly cannot be accomplished in one advertisement. Sporadic advertising, a few insertions of hastily prepared copy, is almost as bad as no advertising at all.

If you want the rank and file of agents and brokers to think about your company as you do, you must give them some reason for doing so. You must advertise and tell them why they should. You can do this, you can create a favorable state of mind toward your company, first by advertising sensibly, but most of all by advertising regularly.

Everyone of consequence in the insurance business, everyone that you want to have a favorable state of mind toward you, can be reached by advertising in The National Underwriter.

(Number 7 of a series devoted to the merits of National Underwriter advertising)

«»

The National Underwriter

The leading weekly insurance newspaper

E. J. Wohlgemuth, *President*

Member Audit Bureau of Circulations

C. M. Cartwright, *Managing Editor*



A Lever— to get New Clients

SOMETIMES, on a big insurance proposition, a difference of a few dollars saved for the client will induce him to change his insurance.

A. D. T. Central Station Service is one lever which is often used to hold old clients and get new ones.

With A. D. T. Protection, insurance rates are brought to a minimum. Without A. D. T., protection is incomplete. There are still opportunities for you to reduce the fire hazard—save on insurance premiums and save part of your client's watchman payroll.

A. D. T. Services include Watchman Supervisory, Aero Automatic and Manual Fire Alarm Systems, Sprinkler Supervisory Service and Vault and Burglary Alarms.

Let the nearest A. D. T. office tell you about these services—or send for the bulletins.

A.D.T. PROTECTION SERVICE

CONTROLLED COMPANIES OF

AMERICAN DISTRICT TELEGRAPH COMPANY

155 SIXTH AVENUE · NEW YORK N.Y.

1365

AS SEEN FROM CHICAGO

HARRY ROGERS IS ACTIVE

Harry K. Rogers, engineer of the fire prevention department of the Western Actuarial Bureau, will appear before the Chamber of Commerce of Evanston, Ill., Monday of next week, and the following day before the chamber of commerce of Newport, Ky. Wednesday he puts on his "Fire Clown" act before a large assembly of school children, under the auspices of the Chicago Association of Commerce. Friday he makes another broadcast in the series of farm fire prevention plays being sponsored by the National Fire Waste Council, the Farm Insurance Association and the National Broadcasting Company. Saturday he puts on the "Fire Clown" act in St. Louis.

* * *

VERNOR LEADS STRENUOUS LIFE

Starting with an address before the Optimist Club of Milwaukee next Monday, R. E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, will be stepping some during fire prevention week. He is scheduled for an address before the chamber of commerce of Topeka, Kans., Tuesday noon, with a talk before the boy scouts in the afternoon. Thursday he is to address a public meeting at a luncheon at Muskegon, in connection with the town inspection being conducted by the Michigan Fire Prevention Association. Friday he is to speak before the Chamber of Commerce of Kokomo, Ind.

* * *

KUHNS, JACOBS ASSOCIATED

Jacobs Brothers (Nate, Ralph and Ben) have moved their office from A-1234 Insurance Exchange, Chicago, to A-1910 in space connecting with A. D. Kuhns & Co., with whom they are now associated. They are maintaining their class 1 membership in the Chicago Board. Mr. Kuhns announces that he has taken on the general agency of the Columbia Casualty for Cook county to provide facilities for surplus lines, so the agency is now in a position to write all classes of casualty business. Mr. Kuhns is also branch manager for the New Jersey Fidelity & Plate Glass. Jacobs Brothers are opening the new office under the name, Nate Jacobs & Brothers. The associates are E. A. Meaney, of Meaney & Maypole, and Howard Schiller.

* * *

WRECKING OLD LANDMARK

Another old insurance landmark in Chicago is being obliterated. Work has been started on wrecking the old Home Insurance building, known as the old Insurance Exchange, at the northeast corner of La Salle and Adams, to make way for the first unit of the 43-story building to be constructed by the Marshall Field estate at a cost of some $12,000,000. The George A. Fuller construction company will build the building, the same company which put up the old building on the same plot.

* * *

VERNOR REPORTS ON YEAR

There were 17,716 risks inspected in 84 cities in the year's campaign of the fire prevention department, Western Actuarial Bureau, Manager R. E. Vernor of the department reports. He said 78 percent, or 13,107 risks, were criticized and 47,290 recommendations were made. A 43 percent average compliance is reported, or over 20,000 hazards removed. While many of the towns inspected were small, the year also included the largest inspection campaign in the department's history, that of Minneapolis resulting in an 89 percent cleanup and creation of a permanent local fire prevention committee. He reports 848,270 home inspection blanks supplied to various civic groups for use of school children and nearly that number of dwellings actually inspected through the blanks. There were 181 personal visits made to civic organizations to confer on fire prevention week and 338 mid-western cities took part in the 1931 inter-chamber fire waste contest, or 70 percent of all eligibles. Harry K. Rogers gave 149 of his fire clown performances to a total audience of 111,000; 840 addresses were made during fire prevention week to combined audiences of 241,000, and there were 1,828 total addresses, including those made by the Chicago staff, to 575,000 persons.

* * *

James H. Brennan, a prominent Chicago insurance broker, has been named district chairman in the campaign to raise $1,000,000 for a field house at Notre Dame university in memory of Knute Rockne, to have charge of the campaign in Illinois, Wisconsin, Iowa and Minnesota. Mr. Brennan is president of the Notre Dame club of Chicago.

* * *

The **Insurance Club** of Chicago will hold another golf tournament at Nippersink Lodge Oct. 2. Reservations are being taken by G. A. Mavon, A-2145 Insurance Exchange.

Harry B. Matt Resigns

After many years service with the Michigan Fire & Marine, Harry B. Matt, state agent for Ohio, has resigned, effective Jan. 1. Mr. Matt is convalescing from a serious illness.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius & Co., 105 South La Salle St., Chicago, as of Sept. 28

Stock	Par	Div. per Share	Bid	Asked
A. Lincoln Life.	20	1.60	37	...
Aetna Cas.	10	1.60	58	65
Aetna Fire	10	2.00	34	36
Aetna Life	10	1.20	34	36
Agricultural	25	4.00	85	90
Amer. Alliance..	10	1.60	14	16
Amer. Equitable.	5	1.20	6½	7½
American, N. J..	5	1.00	12	14
Amer. Surety	25	4.00	29	33
Automobile	10	1.00	20	23
Baltimore Amer.	5	.80	7	8
Bankers & Ship.	25	3.50	92	102
Boston	100	16.00	375	400
Brooklyn	5	1.20	4½	5½
Carolina	10	1.50	16	18
Cen. Life, Ill.	20	.80	28	32
City of N. Y.	100	16.00	165	190
Contl. Assurance	10	*2.00	40	50
Continental Cas.	10	*1.60	18	20
Continental	10	2.40	26	28
Federal Life	10	1.00	13	16
Fid.-Phenix	10	2.60	26	28
Fire Assn.	10	1.60	12	14
Fireman's Fund.	25	5.00	64	65
Fireman's F. Ind.	..	...	...	24¾
Firemen's	10	2.80	16	18
Franklin	5	1.60	16	18
Glens Falls	10	*1.60	40	44
Globe & Rutgers.	100	24.00	290	320
Great Am. Fire..	10	1.60	16	18
Great Am. Ind.	10	...	...	15
Great Lakes	10	1.00	7	9
Halifax Fire	10	1.20	13	15
Hanover	10	1.60	18	20
Harmonia	10	1.80	16	18
Hartford Fire	10	2.00	44	46
Home F. & M..	10	2.00	27	27½
Home, N. Y.	10	2.00	20	22
Homestead	10	1.30	14	16
Ins. Co. of N. A.	10	*2.50	37	39
Linc. Natl. Life.	10	*2.50	34	36
Missouri St. Life	10	1.20	11	13
National Cas.	10	1.20	14	15
National Fire.	10	2.00	42	45
National Liberty	5	.50	4½	5½
National Surety.	10	2.00	22	24
National Union.	100	...	45	55
New Brunswick.	10	1.80	16	18
New Hampshire.	10	2.00	...	45
No. Amer. Life..	5	1.00	14	16
Northern, N. Y..	25	4.00	55	62
North River.	10	2.00	19	22
N. W. National	25	5.00	92	98
N. W. Natl. Life	..	...	11	13
Occidental	10	...	15½	18
Ohio Natl. Life..	10	1.25	25	30
Old Line Life	10	1.50	19	22
Pacific Mut. Life	10	2.40	42	45
Peoples National	5	.50	3¼	4¼
Phoenix, Conn.	10	2.00	49	51
Prov. Wash.	10	2.20	33	35
Rossia	10	2.20	11	13
Springfield	25	4.50	83	90
St. Paul F. & M.	25	6.00	140	150
Sun Life	100	25.00	550	625
Travelers	100	*22.00	605	625
U. S. Casualty	25	4.00	30	36
U. S. Fire.	10	2.40	28	33
U. S. Mer. & Sh.	100	16.00	180	210
Westchester	10	*2.50	24	28

*Extra dividend paid.

CRUM & FORSTER
COMPANIES

Are well seasoned and wear well.

A consistent and broad underwriting policy makes agency friends and keeps them.

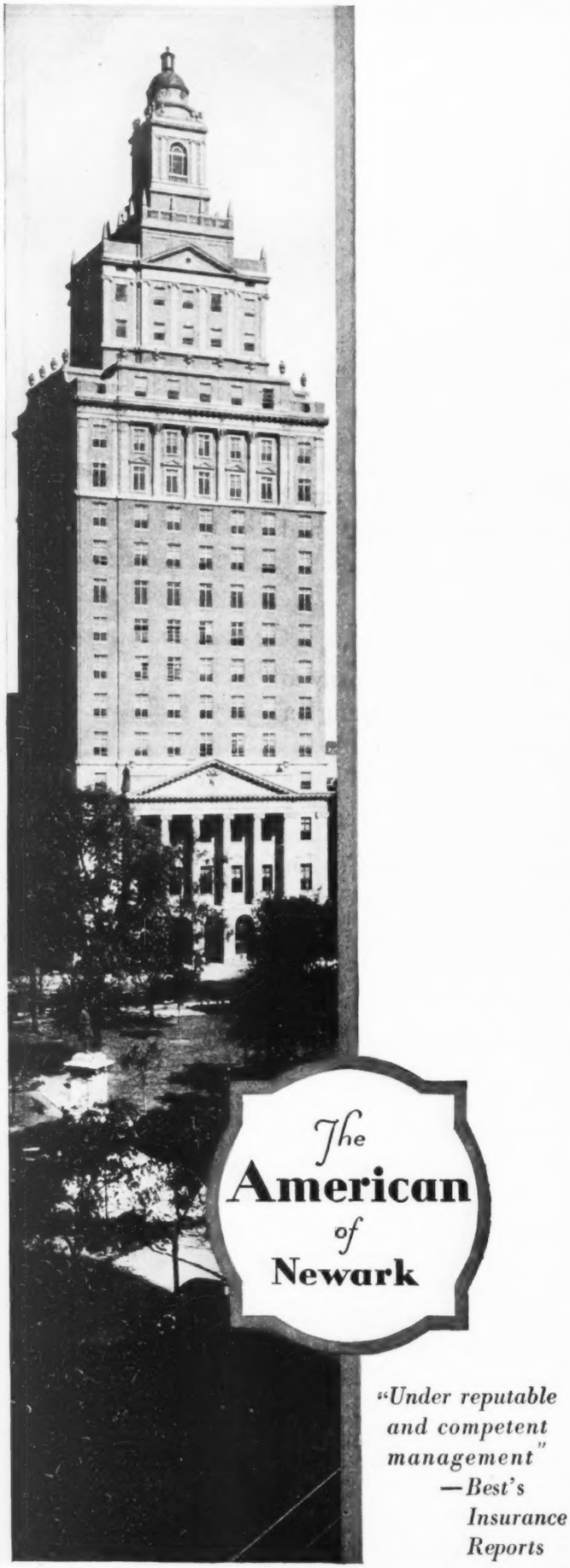
When you add a C. & F. company to your office you are not just taking on another company.

We do not expect you to write us for an agency contract. When we have investigated we may call on you.

All agents do not look alike to us. We want to put the agency business on a higher plane.

Our Department Offices Are Complete Home Office Units

WESTERN DEPT. FREEPORT, ILL.
PACIFIC DEPT. SAN FRANCISCO
SOUTHERN DEPT. ATLANTA
ALLEGHENY DEPT. PITTSBURGH
CAROLINAS DEPT. DURHAM, N. C.



THE AMERICAN GROUP — American • Bankers • Columbia • Dixie

VIEWED FROM NEW YORK

By GEORGE A. WATSON

NEW HALL & HENSHAW PARTNERS

A. J. Ungerland and G. R. Michaelson have been admitted to the New York City local agency firm of Hall & Henshaw. Mr. Ungerland has been connected during the last five years with Hoey & Ellison. Mr. Michaelson has been associated with the same firm and prior to that with Bennett Ellison for 16 years. The other partners are Mr. Goodwin and A. D. Dowrie. Mr. Goodwin is celebrating his 58th year in the business. He is vice-president of the New York Fire Insurance Exchange and president of the new New York City Local Agents Association. He is chairman of the conference committee of the New York State Association of Local Agents.

* * *

TAKE ON CASUALTY COMPANIES

The trend of fire agencies in New York City to secure the representation of at least one general casualty writing company continues and the prediction is that before long every progressive agency will be thus equipped. A number of offices have facilities for writing life insurance as well, the intent being to supply clients with every known form of insurance coverage.

The drift toward general agency representation began with the launching of casualty and fire affiliates by established fire and casualty companies and the desire of their managements that agency connections be developed. Impetus to the movement was given with the constant growth of automobile insurance and the close interlocking of the lines of indemnity demanded by motorists. Every agency has its particular patron brokers who solicit all lines of insurance and the local men concluded they might as well be equipped to handle all this business. With fire premiums in New York off about 20 percent and with little prospect of early improvement, local agencies are pushing their allied lines hard, thereby endeavoring at least to keep the income of their offices up to the figures of more prosperous periods.

* * *

CONWAY AND LOCKWOOD WIN

County Judge Albert Conway and C. G. Lockwood, transit commissioner, both of the Borough of Brooklyn, are among those given bipartisan nominations for supreme court judgeships in the 2nd judicial district of New York at the conventions last Saturday, thereby making their election a foregone conclusion. Both are known to the underwriting fraternity, Judge Conway as a former superintendent of insurance in the Empire State, and Mr. Lockwood as chairman of the committee that investigated fire and casualty companies in their relation to the housing situation that existed in New York some years ago. Earlier Mr. Lockwood was counsel for the Provident Savings Life before that institution reinsured in the Postal Life.

* * *

NOTABLE FIGURE PASSES

In the death of J. A. Forster, president of Crum & Forster and a leading executive in each of the numerous corporations controlled by it, there was lost to the insurance business a notably strong figure. Though identified with the North River Fire for 43 years and a powerful influence in developing its interests and that of its affiliated enterprises, Mr. Forster was not so well known in underwriting circles as are many men of far less merit. While active in the underwriting branch in the early days, his attention for long had been given rather to the financial phases of the business. He was a master hand in devising plans for taking hold of small and struggling institutions and developing them into stalwart and progressive corporations. Associated with Mr. Forster in the Crum & Forster organization were A. S. Hutchins, J. Lester Parsons, R. O. Haubold, D. G. Wakeman, H. J. Wyatt and C. J. Voorhis, all of whom continue.

* * *

SURVEY OF AIRCRAFT INDUSTRY

The domestic aircraft industry has been well maintained during the period of general business depression, according to material gathered by the research department of the Continental. Passenger traffic is increasing steadily, while mail carriage in the first six months aggregated 4,523,400 pounds, as against 3,996,329 in the same months of last year. While the ratio of fatal accidents per mile flown is low, an official of the Continental points out that the damage to suburban property from falling planes is on the increase, a natural result of the greater number of machines in use. On Aug. 1 there were 7,468 active licensed and 2,844 unlicensed American planes on record, with 16,509 licensed pilots and 14,161 permits for student pilots outstanding. An important factor in stabilizing the airplane industry is the support accorded it by the federal government.

* * *

BENEFIT FROM CONSOLIDATIONS

Various recent fire company consolidations, and those pending, will materially strengthen the merged institutions, substantially increasing capitals and net surplus accounts. They will likewise effect economies in management, in that the salaries of a number of duplicate executive and employes will be saved, as well as operating charges of various kinds. The mergers, too, will provide capital and surplus items that will improve standing with agents and assureds, many of whom have been discriminating of late against carriers with smaller resources.

* * *

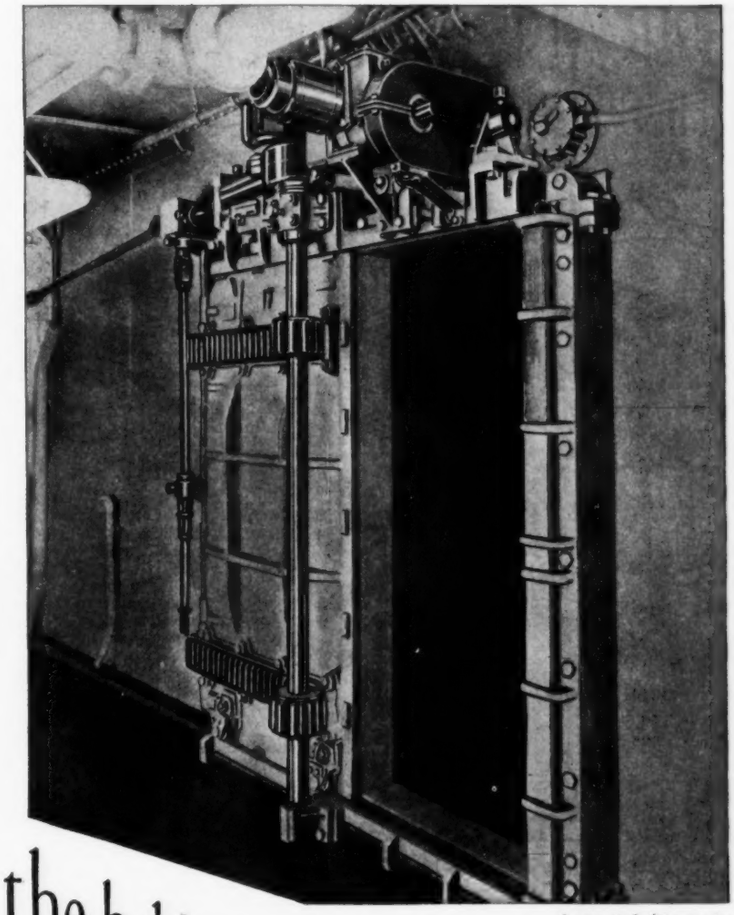
PORTO RICAN SITUATION BAD

American fire companies operating in Porto Rico are somewhat exercised over the threatened burning of tobacco warehouses throughout the island by night riders, and are cabling their chief representatives at San Juan to exercise the greatest vigilance in writing such properties. According to initial reports received in New York the situation developed through refusal of tobacco planters to accept the price of 18 to 20 cents a pound offered by buyers representing large American manufacturers, nearly a third less than last year, and the threat that any grower failing to take such stand would have his warehouse destroyed. The tobacco crop this year is estimated close to 36,000,000 pounds, considerably above normal. Manufacturers claim they cannot afford to pay more as the demand is for cheaper cigars. Anonymous letters advising insurance companies of conditions on the island have been received by a number of New York offices, addressed to individuals having charge of the West India field. This indicates the writer is familiar with the insurance business and those engaged in it. That the threat of the night riders is seriously regarded by the tobacco planters is attested by the considerable number of applications already received for riot and civil commotion covers.

Underwriters fear that if the burning of tobacco warehouses and the destruction of seed beds in Porto Rico gains headway like practice might extend to Cuban plantations.

L. E. Linder of Plaza, N. D., and **R. A. Fatjo** of Santa Clara, Cal., are the most recent recipients of silver medals from the Home of New York in recognition of 25 years' continuous agency representation.

An insurance library in two volumes! The **Fire, Casualty & Surety Bulletins,** published by The National Underwriter, is a necessity to every man who sells those lines.



Courtesy Cutler-Hammer Inc.

IN the hold of every modern ship are cross-walls of steel from keel to far above the water line. Each door in those walls is so safely watertight that, even though an entire section should be flooded, the ship will remain afloat. Loss is restricted to the flooded section.

Insurance cannot prevent loss. Insurance transcends loss. Insurance *indemnifies!* Prompt payment keeps the business ship afloat when *all* its material sections are destroyed.

The Royal shield is the symbol of *Security First.*

Security First

ROYAL INSURANCE COMPANY LIMITED

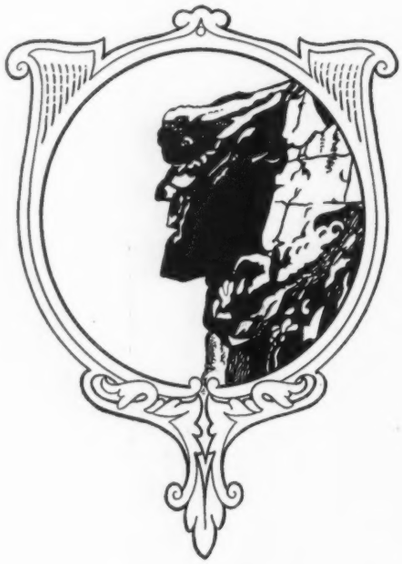


ROYAL

INSURANCE COMPANY LTD

150 WILLIAM STREET ■ NEW YORK

NEW HAMPSHIRE FIRE INSURANCE CO.
MANCHESTER, N.H.



SIXTY-FIRST ANNUAL STATEMENT
January 1, 1931

Assets

United States Bonds	$3,213,000.00
State and Municipal Bonds and Stocks	12,104,678.97
Canadian Bonds, Government and Municipal	276,930.00
Foreign Bonds	122,100.00
Real Estate	381,500.00
Agents' Balances	821,929.20
Accounts Receivable	202,787.33
Cash in Banks	627,252.47
	$17,750,177.97

Liabilities

Capital Stock	$3,000,000.00
Unearned Premium Reserve	5,212,038.21
Reserve for Losses	635,810.66
Reserve for Taxes and Other Liabilities	371,075.65
Reserve for Dividends Declared and Unpaid	150,514.44
Net Surplus	8,380,739.01
	$17,750,177.97

POLICYHOLDERS' SURPLUS $11,380,739.01

AFFILIATED COMPANY

Granite State Fire Insurance Company
Portsmouth, N. H.

Field Man Dies



HUGH H. RIMINGTON

Hugh H. Rimington, 65, Louisiana state agent for the Eureka Security Fire & Marine with offices at New Orleans, died in Cincinnati last week. He was stricken with apoplexy after deliverying an address at a meeting of state agents of his company. Mr. Rimington was a native of England. His father, William Rimington, was a dean of Norwich cathedral at one time. He himself was a captain in the British navy, and his brother was a rear admiral in the British navy at Gibraltar in the world war. Mr. Rimington started insurance work in this country at Chicago. He then moved east, later going to Nashville, where he represented the London Assurance. He went to New Orleans five years ago for the Eureka.

Mr. Rimington was formerly vice-president of the La Salle Fire and for many years traveled as a field man in Ohio before going to the south. B. Gates Dawes, vice-president of the Eureka-Security, is in New Orleans this week arranging for a successor. Mr. Rimington was at one time field man with headquarters at Chicago and later was vice-president of the old Jefferson Fire and subsequently was an official of a Nashville company.

Convention Dates

Oct. 4-7—Insurance Advertising Conference, Toronto.
Oct. 5-9—National Association of Mutual Fire Insurance Companies, Chicago.
Oct. 9—New Jersey Agents, Atlantic City.
Oct. 12—Missouri Agents, Jefferson City.
Oct. 12-16—National Safety Congress, Chicago.
Oct. 13—Missouri Insurance Day, Jefferson City.
Oct. 15-16—Pennsylvania Agents, Wilkes-Barre.
Oct. 16—Kansas Agents, Topeka.
Oct. 16—Oklahoma Agents, Oklahoma City.
Oct. 22—Massachusetts Agents, Boston.
Oct. 27—Wisconsin Agents, Milwaukee.
Oct. 28—Wisconsin Insurance Day, Milwaukee.
Oct. 29—Connecticut Insurance Day, Hartford.
Nov. 4—Illinois Local Agents, Peoria.
Nov. 10—South Dakota Agents, Aberdeen.
Nov. 12-13—Tennessee Agents, Knoxville.
1932—
May 9-12—National Fire Protection Association, Atlantic City.
June 7-9—Health & Accident Underwriters Conference, Chicago.

F. W. Laughton, sole agent at Richmond, Va., for the Halifax, one of the group of companies for which B. P. Carter is general agent in Virginia, has resigned that connection to join the Richmond agency of Willis, Johnson & Davis.

BIRDSHOT vs. RIFLE

EVERYONE knows that a rifle is more effective than birdshot. Calendars are more effective than any other type of advertising for the same reason—you can concentrate on one spot. You can send calendars only to the prospects that you know have money and concentrate on them.

Fits Your Selling Needs

The National Underwriter's new 1932 insurance calendar is designed especially by insurance advertising experts to fit the selling needs of insurance men. It has a twelve sheet brown rotogravure pad mounted on a colored back (15½x9 inches in size.) There are twelve different pictures — one for each month — which both please the eye and sell insurance. Under each picture is a short, right-to-the-point timely sales argument featuring a different use for insurance each month.

Your Name Strikes All Eyes

Your name is printed at the top of the back in the latest modern type where it strikes all eyes. The numerals of the pad are large and visible at a distance.

Calendars are the most effective and economical form of advertising for insurance men. They will be on the job 366 days in 1932 keeping your name and business before your clients' and prospects' eyes.

Exclusive Franchises Granted

Exclusive franchises for The National Underwriter Calendars will be sold in cities of less than 100,000 population. If you want the exclusive franchise in your city you had better make arrangements right away for reserving it. Write today for further information and if you wish a complete sample send ten cents in stamps.

The National Underwriter
A-1946 Insurance Exchange Chicago

PROSPECTS ALL



YOUR agency may be in a small town or a great city—no matter. In your community are storekeepers—all around you in nearly every street. Times are hard, lawlessness increasing. The merchant needs the protection of the new Storekeeper's Burglary and Robbery policy. It gives him the all-round, twenty-four hour protection he needs against the holdup man and the burglar.

Agents of The Century Indemnity Company are given every help in selling this protection, as is the rule with all Ætna Fire Group lines—a custom which agents find pleasant and profitable.

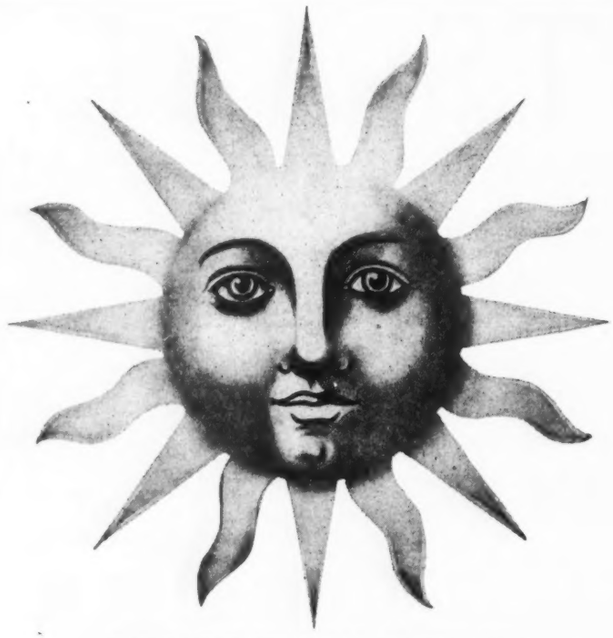
THE ÆTNA FIRE GROUP

ÆTNA INSURANCE COMPANY THE CENTURY INDEMNITY COMPANY

THE WORLD FIRE AND MARINE INSURANCE COMPANY

HARTFORD, CONNECTICUT

PIEDMONT FIRE INSURANCE COMPANY - - - CHARLOTTE, NORTH CAROLINA



INSURANCE IS AS OLD AS THE SUN

Keep Your Face Toward the Sun and the Shadows Will Fall Behind You

SUN INSURANCE OFFICE
Limited of London

Established 1710—The Oldest Fire Insurance Company in the World

The SUN of London, established in 1710, (the oldest insurance company in the world) stands out as one of the world's greatest institutions.

The Patriotic Insurance Co. of America, established January 1, 1923, is growing lustily and is entirely at the service of our agents.

FIRE
LIGHTNING
WINDSTORM
AUTOMOBILE
EXPLOSION
RIOT & CIVIL COMMOTION
USE & OCCUPANCY
RENTS & RENTAL VALUE
LEASEHOLD
INLAND MARINE
OCEAN MARINE

TOURIST FLOATER
SALESMEN'S FLOATER
YACHT AND MOTOR BOAT
ALL RISK PERSONAL JEWELRY
ALL RISK PERSONAL FURS
ALL RISK TOURIST FLOATERS
JEWELERS BLOCK POLICIES
PUBLIC LIABILITY
MERCHANDISE IN TRANSIT
via Truck, Rail or Steamer
(Annual or Trip Policies)

SUN INSURANCE OFFICE LIMITED
OF LONDON

Sun Underwriters Insurance Company of New York
Patriotic Insurance Company of America
Sun Indemnity Company of New York

UNITED STATES BRANCH
55 Fifth Ave., New York
O. Tregaskis, Manager, Eastern Department

WESTERN DEPARTMENT
Wrigley Building, Chicago
John F. Stafford, Manager

PACIFIC COAST DEPARTMENT
San Francisco, Cal.
Carl A. Henry, General Agent

MARINE DEPARTMENT
11 South William St., New York
Wm. H. McGee & Co., Inc.,
General Agents

SUN INDEMNITY COMPANY
55 Fifth Ave., New York
F. I. P. Callos, President

Insurance Men Questioned on Quality of Citizenship

MUST GIVE INDIVIDUAL HELP

U. S. Senator Hebert Tells White Sulphur Convention Business Is Concerned in Government

United States Senator Felix Hebert of Rhode Island said insurance men can and should take a prominent part in solving problems resulting from the depression period, in his talk at the White Sulphur casualty-surety convention. He said insurance men have the rights and also the duties of citizenship, and he asked if they are giving the full measure of devotion which the nation has every right to expect; whether they are contributing as they should in solving governmental problems. He is former insurance commissioner of Rhode Island and is general counsel for a group of eastern mutuals.

The senator answered by asking more questions: "Have you neglected to go to the polls on election day?" he asked. "If you have, then you have failed to exercise the greatest privilege ever accorded to man in the affairs of government.

Questions Insurance Men

"Have you declined public office because it might interfere with your business? Have you sought to avoid jury duty because of the time it would take? Have you informed yourself upon public questions so as to reach intelligent conclusions? Have you given thought to problems of government as they arise, contributing perhaps to their solution?

"Have you considered it beneath your dignity as men of affairs to seek a place at the council board and to contribute your share of effort to make a better governed community?"

His subject was "Insurance as a Factor in the Solution of the Problems That Follow Depression." He pointed out the close connection between all types of insurance and other business and activities in this country.

Insurance Is Concerned

Fire insurance, he said, is closely bound up with financial problems of merchants, industrialists and bankers. So far as casualty is concerned the state itself has required employers of labor to guarantee to their workmen some fixed compensation in case of disability arising out of employment. State and city governments now require officers and some employes to be bonded by corporate sureties.

Senator Hebert expressed the belief that state supervision of insurance, although many companies have benefited through it, is in a measure not unlike automatic government. He said it has frequently been said that a despotic form of government is the best form, but that is true only when it is a benevolent despot. Since the United States Supreme Court decision in the leading case on the subject he said federal supervision has been little more than an illusory hope.

Prefers State Supervision

He declared if he were an insurance company official he would look with some apprehension upon its institution; that there is apt to be a greater measure of good sense and fair judgment in the collective minds of 48 state insurance commissioners than in one federal bureaucrat, and moreover, one official having supervision over a business so large as insurance, with the federal government behind him, ultimately would assume great power.

So far as unemployment insurance is concerned, Senator Hebert believes our government should beware, considering the experience of other countries in this venture.

AMERICAN INDEMNITY COMPANY
GALVESTON
C. S. KUHN, Vice President

COMPLETE
AUTOMOBILE PROTECTION
FIDELITY
AND
SURETY BONDS

Desirable general agency contracts available in unalloted territory

SAFETY
SATISFACTION
SERVICE

Whatever any other companies do for their agents within the bounds of sound, ethical business and good underwriting practice, we will do.

FIRE
WINDSTORM
AUTOMOBILE INSURANCE

AMERICAN
Fire & Marine
INSURANCE COMPANY
GALVESTON
E. C. FRENCH, Vice President

Western Bureau Holding Meeting

(CONTINUED FROM PAGE 3)

right to collect taxes on premiums for classes of business not transacted when the present law was enacted. Should their contention prevail the companies would be called upon for an additional tax contribution amounting to several million dollars.

President Rawlings' Address

President Rawlings in his address, touched particularly upon the heavy losses suffered on so called preferred business attributing this in part to the great shrinkage in real estate values and to the moral hazard engendered thereby. As one means of expediting improved industrial conditions Mr. Rawlings favored building replacements instead of cash settlements for losses, declaring such procedure would materially improve the unemployment situation. He paid tribute to field men of the right type declaring them to be "one of the most essential factors in our business and a valuable adjunct to any company." Concluding he urged extreme care in underwriting practices and in handling of claims, such procedure being especially called for in these days of stress and storm.

Actuarial Committee Report

Messages of sympathy were wired C. H. Yunker, president Milwaukee Mechanics, and S. F. Weiser, secretary, Dubuque Fire & Marine, both of whom were prevented from attending the meeting through illness.

Membership in the Bureau remains unchanged, with no accessions nor resignations since the annual meeting last May.

A summary of the work of the subscribers actuarial committee for the past six months was given by Manager J. V. Parker, together with a brief outline of the more important activities planned for the near future. He opposed extension of use of the six-point policy, combining hail, tornado, riot and civil commotion, aircraft damage, explosion and motor vehicle damage covers, beyond the states of Kentucky, Tennessee, Illinois, Indiana, Ohio, Michigan and Wisconsin, where it is already being issued.

Gratification was voiced by R. S. Danforth, chairman of the field club committee, over the support accorded the companies by the field clubs, one of which now exists in each of the states throughout the Bureau's jurisdiction. Club gatherings, it was said, are better attended than ever before, field men displaying keen appreciation of the difficulties with which the business is now faced, and the need for intensive and intelligent work, agency cultivation and risk inspections.

Aside from the submission of the report by the committee to which President Rawlings' address was referred, little of interest developed at the Bureau's concluding session this forenoon. The annual gathering will be held next May, and while decision as to the place will rest with the directors, it's a safe prediction that Briarcliff Lodge will again be chosen.

Endorsing "the note of caution in handling loss adjustments during this time of stress" contained in the president's address, the review committee likewise concurred in Mr. Rawlings' opinion "that the former preferred risk classification will again establish its standing" and with his further declaration that "over-insurance is still one of the great problems, and the most careful thought and consideration should be given the recommendation that companies resort more often to their option of replacement rather than the payment of total losses.

Mr. Rawlings' remarks as to field men generally were approved. The majority of special agents, the committee held, were "doing excellent work" and were entitled to consideration. Concluding the report paid a fine personal tribute to President Rawlings, his efforts on behalf of the Bureau deserving "the sincere thanks of its members."

Following adjournment of the Bureau meeting, members of the Western Sprinklered Risk Association went into session. Manager J. Harvey Patterson reported upon activities of the organization for the past six months.

Canadian Field Happenings

Rooke Gets Montreal Post

L. L. Rooke, manager eastern Ontario for the Dominion of Canada General, has been made Montreal branch manager. Mr. Rooke succeeds J. C. Stuart, who goes to the head office in Toronto as general superintendent.

Mr. Rooke is succeeded at Ottawa by B. C. Grant, who has been inspector.

Blue Goose Golf Tournament

The Ontario Blue Goose held its annual golf tournament at the Burlington Golf & Country Club. About 60 golfers competed. H. D. K. Martin won the J. Ross Stewart trophy for the pond handicap championship, while the Gordon J. Hutton trophy was won by J. H. Riddell. Most Loyal Gander Bert Leckey, who had just returned from the Milwaukee convention, presided at the dinner.

Canada Seeks Investment Data

The Canadian insurance department has asked insurance companies to furnish a list of securities purchased or held as collateral since the first of the year which will appear in Canadian annual statements. The information is sought so that the financial data in the annual statement can be completed at an early day. The companies are also asked to keep their information up to date and send in weekly reports until Jan. 1.

Frown on Licensing of Lawyers

TORONTO, Sept. 9.—The Ontario Fire & Casualty Insurance Agents Association is considering the question of granting insurance licenses to lawyers. It is suggested that the law society be asked to place a ban on its writing insurance. The subject is to be discussed at the convention of the Ontario Fire & Casualty Insurance Agents Association Oct. 15-16.

Revise Railway Licenses

Ontario has recently enacted new regulations affecting the licensing of railway ticket agents as insurance agents. The license is applied for and issued to the name of the railway for a fee of $10 and authorizes it to write railway accident and livestock insurance.

Form New Hail Mutual

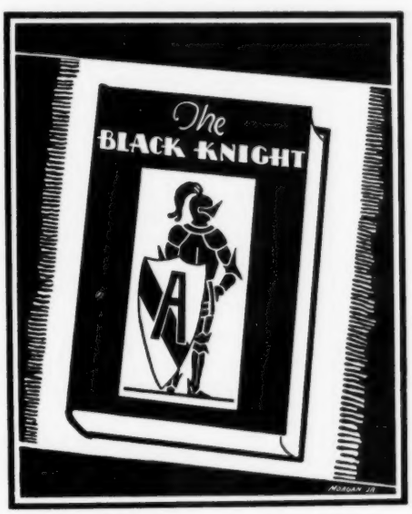
The Canada Mutual Hail is being organized with head office at Winnipeg. Application for license to write plate glass, tornado and hail insurance is being made. Directors are: T. Plenty, H. E. Batters and James McConochie, all of Portage la Prairie; James Barrett of North Norfolk, R. M. and Robert Lees of Oakville.

Sharp Cleavage Being Predicted

(CONTINUED FROM PAGE 3)

panies and those that are maintaining rates and practices for the benefit of the country at large, it will mean a gradual cleavage in agency ranks between the sheep and the goats. According to those who stayed after the convention adjourned, this is the road along which the National association is traveling.

The Story of the Black Knight



is simple, unvarnished, but TRUE.

THIS is it: Agents and brokers confronted with a serious problem in handling their clients' compensation insurance found that ASSOCIATED INDEMNITY CORPORATION's non-assessable participating compensation policies proved friends to both employer and agent.

Associated Insurance Companies are entered today in many states where agents may take advantage of this service.

Los Angeles Office

Subway Terminal Building

L. S. Moorhead, Vice President

ASSOCIATED INSURANCE COMPANIES

ASSOCIATED INDEMNITY CORPORATION

Compensation, Automobile, Miscellaneous, Casualty and Surety

C. W. FELLOWS, *President*
Head Office
SAN FRANCISCO

ASSOCIATED FIRE & MARINE INSURANCE CO.

Fire, Tornado, Earthquake and Miscellaneous

Veteran Official Talks on Losses

(CONTINUED FROM PAGE 4)

tions in the southern states and now its work has been extended to the Pacific Coast. Next on its program is Oklahoma where neither of the adjusting bureaus is operating. He said that it is the hope of some that the National Board's activities will be extended to the central west but as yet no movement of this kind has taken place because in this section most adjusting practices for more than 30 years have been conducted on a high standard.

Mr. Street said that in Chicago and Cook county the Cook County Loss Adjustment Bureau succeeded in solving a very serious problem in loss adjustment there.

Chicago Situation Was Deplorable

He said that the situation in Chicago was deplorable. Each agency had its office adjuster or was committed to some independent adjuster. Mr. Street referred to some of these as "dependents." Public adjusters held forth in grand array. The good work of the Cook County bureau, he thinks, was the moving cause for substantial reforms in adjustments throughout the country. He said there is no longer competition for hurry up payments of losses or for the securing of business through exceptionally favorable loss adjustments. All agents and companies are on equal terms.

Time Given to Adjusting a Loss

Mr. Street said that the adjustment of losses is something that must be learned through experience. He stated that one great criticism he thinks is justified is the limited amount of time given to many losses. He said that he could plainly see that a $10,000 loss with no complications, where everything is in the open and the value of property is greatly in excess of the insurance, and there is no possible question as to the origin of the fire and no issue as to title or violation of property conditions, could be adjusted in 30 minutes by a real adjuster. Yet he said a $100 claim which is open to suspicion should receive real attention and the facts should be gotten, however much time is required. He does not believe in the policy of a hurry up adjuster who is trying to settle a loss before train time.

Mr. Street stated that in his judgment there is no place in adjustment work, either in a bureau or as an independent for the man who does not possess special ability in his line and whose character and personal conduct are not above reproach. He said that the successful underwriter must know more of everyone's business over a broader stretch of country than in any other line of business but that alone does not fit him for loss adjustment work, especially in this specialized age. He gave as some of the attributes of a successful adjuster, "judgment, tact, good humor, a backbone like that of Cleveland or Roosevelt, absolute probity, general knowledge of values, what can be done with salvage, knowledge of the contracts, a nose for fraud." Mr. Street closed with the following observation:

"You may generally have in mind that you represent the Western or the Underwriters or that you are an independent working on your own, but when you think deeper, you must recognize the fact that you are temporarily the trustee for not merely the pocketbook but also for the good name of the company; that you owe it to your principal to see that an honest claimant is dealt with in an honest way and that he is not converted from an honest claimant into a dishonest one when he next meets disaster by overpayment, and that claims without merit can always wait.

"When you are right and know you are right, there is little in this line you cannot do. You must be right, however, not merely with the claimant and the company but with yourself. It must be borne in mind that temporarily you are reflecting the make-up, the attitude, the moral sense, if you please, of your principal, yet to do anything that is not morally right in the interests of that principal reflects on you as much as on the man who accepts the fruits of any wrongdoing. The adjuster in every move must be high above even the breath of suspicion; he must be his own master, beholden to no man with whom he has to deal on behalf of a company through social or financial favors of any kind, political considerations, family relationship or anything else that may interfere with his doing his whole duty in a creditable way. You owe that much not merely to the business or the particular company involved, but you owe it to yourselves."

FIRE ASSOCIATION OF PHILADELPHIA

THE RELIANCE INSURANCE COMPANY
All of Philadelphia
VICTORY INSURANCE COMPANY

OTHO E. LANE, *President* JAMES G. MACONACHY, *Vice-President*

CONSTITUTION INDEMNITY COMPANY
OF PHILADELPHIA
OTHO E. LANE, *President*
FRANKLIN VANDERBILT, *Vice-President and General Manager*

HEAD OFFICES
Fourth and Walnut Streets, Philadelphia

DEPARTMENTAL OFFICES
Chicago Atlanta San Francisco Dallas Toronto New York

Gund and Tuttle Placed on Committee of W. U. A.

Two new members have been named on the governing committee of the Western Underwriters Association. F. M. Gund, manager of Crum & Forster's western department, has been appointed to fill the vacancy left by the death of C. N. Gorham, who was western department manager for the American of Newark, and C. R. Tuttle, western department manager of the North America, succeeds W. P. Robertson, assistant western manager of the same company. There were a few minor changes in other committees, but as this is not the time of year for appointment of new committees their personnel remains practically the same.

Towing Endorsement Valid

The Illinois attorney general has held that endorsements on automobile policies providing the assured will be indemnified not to exceed $10 for towing charges following a breakdown or mechanical disablement, are valid under the Illinois casualty act. While towing is not insurance, the special rule to contract for the payment of money, the expenditure of which is a necessity by reason of the contingency, is insurance, according to the official.

A. R. Stroud New Manager

A. R. Stroud has been appointed manager of the Ben Franklin Fire of Louisville, which is affiliated with the Franklin Title & Trust Company. Mr. Stroud was formerly Kentucky and Tennessee state agent for the American Central and special agent in Kentucky for the National Union Fire, and was at one time in the local agency business at Owensboro, Ky. He will assume his new connection Oct. 1.

Veteran Agent Dies

Philip F. Turner of Turner, Barker & Co., leading local agent of Portland, Me., died at a Portland hospital, following an operation, aged 78 years. He had been in the insurance business in Portland for 60 years, and was at one time manager for the Great American in Maine.

C. C. McClure in New Post

Rogers & Field, St. Paul general agency, has appointed C. C. McClure state agent with headquarters in Rogers & Field's new office at 260 Lowry Medical Arts building. Mr. McClure has traveled Minnesota for many years and was formerly connected with the Automobile and Niagara. Rogers & Field cover Minnesota, North Dakota and Wisconsin.

The **Joseph A. Rogers** Agency of St. Paul has moved to 264 Lowry Medical Arts Building.

Rawlings Praises Special Agents

(CONTINUED FROM PAGE 5)

force and to the qualification and ability of every man in our organization."

President Rawlings urged more careful underwriting and more businesslike adjustment of losses. He does not see prosperity near at hand but he believes that if all hands in the business do their level best, they can do much to depress depression.

H. A. Clark of Chicago, western manager of the Firemen's group, who is chairman of the executive committee of the Bureau, reported, stating that the directors approved for adoption in all states a change in the inherent explosion clause. The principal change is the incorporation of a prorating feature for contribution in the event of loss to an individual property unit upon which "there be other insurance than fire insurance contracts," in the proportion that the value of each such individual unit bears to the total value of all property covered under the policy.

Rule Book Is Issued

The secretary has gotten out the revised rule book. There is a special edition prepared for the convenience of department managers and field men. Chairman Clark stated that he and Secretary F. C. Schad were collaborating in the preparation of an alphabetically arranged commission schedule.

Ralph Rawlings, president of the Monarch Fire, advised the bureau that his office would act as general agent for the Lumbermen's of Philadelphia, a non-affiliated company, in Oklahoma, Kansas, Iowa, Indiana and Illinois outside of Cook county. He advised that the Lumbermen's would be operated in accordance with Bureau rules and its assessment on premiums would be paid by the Monarch as general agent. This arrangement was approved by the directors.

In conclusion Mr. Clark's report reads:

"We are today engaged in the conquest of gigantic economic problems. Changes of profound significance and of fundamental importance are taking place all about us—changes that are having a devastating effect upon the business world. We are confident that we are gaining on economic disaster and shall continue to gain, and will emerge from this world catastrophe substantially untouched, and be successful in our conquest, if we will but keep our heads. We should utilize the almost immeasurable power of united and common action which is available to us through membership in the Bureau, which fosters and preserves the right of the individual enterprise consonant with the principles upon which it is founded. I would urge you to continue to contribute your share of fidelity and support to this great reservoir of cooperative human endeavor—the Western Insurance Bureau."

New Edition of National Electrical Code Is Issued

The 1931 edition of the national electrical code has been approved by the American Standards Association, following its submission by the National Fire Protection Association, sponsor for the sectional committee in charge of the revision. A first edition of 200,000 copies is being printed by the National Board and copies will shortly be available through its offices.

Mutual Federation Meets

BALTIMORE, Sept. 30.—Fire prevention should be practiced at all times and not confined to one week, declared Commissioner Walsh of Maryland in presenting a program of far-reaching scope for Fire Prevention Week in an address at the annual banquet of the Maryland & Delaware Federation of Mutual Fire Insurance Companies here last week. More than 100 insurance men attended, including some from Pennsylvania. The meeting was to bring the agents together for discussion of mutual problems and to get into touch on their duty both to the insured and to the companies they represented. A number of topics such as farm insurance and the standard form policy were discussed.

Langham Asks Companies' Stand

DALLAS, Sept. 30.—With a view of putting the fire and casualty companies in Texas on record as to their future attitude on the new agents' licensing law President A. D. Langham of the Texas Association of Insurance Agents has mailed a letter to each of these companies, asking them for a definite statement as to what extent the agents may rely upon the companies for cooperation in enforcing the new law.

This law eliminates the part-time agent and prohibits the practice of overinsurance, rebating, etc. A number of the companies worked with the agents at the regular session of the legislature to have the measure enacted into law.

Auto Theft Losses in Chicago Mount

(CONTINUED FROM PAGE 4)

Many companies feel that any rewards should be paid only upon the recommendation of the Automobile Protective & Information Bureau and not upon the suggestion of adjusters. They declare that some adjusters have been too ready to recommend the payment of rewards when none should have been paid. They contend that the real recovery machinery is centered in the Automobile Protective & Information Bureau and that all rewards and recommendations for rewards should come from that organization.

Now that the police department is lined up on an entirely new basis, it is the belief of a number of companies that it would be a mistake to increase rates just when the police department is extending its new and much more valuable cooperation. The new arrangement with the police has hardly gone into effect and should a rate increase of as much as 50 percent be made effective it would result, it is believed, in the discontinuance of any form of assistance which the police department is extending.

It is for this reason that so many companies are opposed to an advance in theft rates just at this time although they clearly recognize the inadequacy of the theft rates now charged. They believe that the police should be given an opportunity to demonstrate whether under the new arrangement thefts will really decline far enough to make the present rates adequate or whether after a reasonable trial of the new plan it is evident that there must be an increase made. In the meantime they feel that no action should be taken, although two groups of companies writing a large automobile volume in Chicago are very insistent that a rate advance be made without delay.

Enters Inland Marine Field

MILWAUKEE, Sept. 30.—An inland marine and transportation department is being opened by the Northwestern National, with F. K. Hinton as manager. The new department will be put into operation about Oct. 1.

Following are the recent entries in the inter-chamber fire waste contest conducted by the National Fire Waste Council, under the auspices of the insurance department of the Chamber of Commerce of the United States: Minneapolis, Minn.; Oakland, Cal.; Atlanta, Ga.; Beverly and Haverhill, Mass.; Dormant, Elizabethtown and Hazelton, Pa.; Farmingdale, N. J.; Jacksonville, Texas.

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE COMPANY

of Providence, R. I.

Capital $3,000,000 *Surplus to Policyholders,* $11,159,491

INCORPORATED 1928

ANCHOR INSURANCE COMPANY

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital $1,000,000 *Surplus to Policyholders* $1,563,657

The above Companies write:

FIRE TORNADO AUTOMOBILE

OCEAN AND INLAND MARINE

and their allied lines

FULL COVERAGE AUTOMOBILE INSURANCE

under Combined Policies with

MARYLAND CASUALTY COMPANY

INCORPORATED 1832

VIRGINIA FIRE AND MARINE INSURANCE COMPANY

Richmond, Va.

Capital $500,000 *Surplus to Policyholders* $1,671,770

FIRE TORNADO

SPRINKLER LEAKAGE AUTOMOBILE INSURANCE

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Cashel, Manager

THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

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Associated Business Papers — MEMBER AUDIT BUREAU OF CIRCULATIONS — National Publishers Association

Production of Incompetent Producers

IN HIS remarks in presiding over one of the group conferences at the convention of the NATIONAL ASSOCIATION OF INSURANCE AGENTS in Los Angeles, J. A. GIBERSON of Alton, Ill., declared that in his opinion local agents themselves are largely responsible for employing the business-getting incubator in hatching producers that should not be soliciting business. The agents are clamoring for stringent qualification laws and yet in many offices, agents themselves employ solicitors and brokers that are not legitimately in the business. While the office may service what is brought in yet many of these people are certainly not qualified to diagnose the assured's needs and recommend a proper insurance program.

Furthermore, agents in developing these producers are really creating competitors for as soon as a person secures a comfortable business he then desires to become an agent himself. He breaks away from the parental office and hangs out his own shingle. It was stated at this very conference by some of the agents that they had had most unfortunate experiences where solicitors that they had employed later started out for themselves and went after the business of the agency which they had not originated.

Therefore, it behooves the agents, in our opinion, to be consistent in their espousal of qualification laws. If they attempt to set up a standard for agents then they should not lower that standard by encouraging any Tom, Dick and Harry to come into their own offices and receive a commission on business that they can secure, be it small or large.

Reward of Harmonious Relationship

THE R. S. PAVIOUR & SON agency of Rochester, N. Y., notes with pardonable pride the fact that it has continuously represented the PHOENIX OF HARTFORD for 43 years, adding that the record has been maintained "in the face of constant shifts in the local agency field." Numerous cases in which agencies in different sections have maintained company connections for half-a-century are not lacking. In every instance where such relationship obtains the results have been mutually satisfactory. By dealing fairly with the companies in its office an agent earns the confidence of the head office management and his business passed with a minimum of inspection, the examiners having learned that risks coming through such connections are such as can be readily accepted by the company.

Capacity Never Lacks Opportunity

THE great orator, BOURKE COCHRAN, once said: "There is but one straight road to success and that is to merit it. A man who is successful is the man who is useful. Capacity never lacks opportunity. It cannot remain undiscovered because it is sought by too many anxious to use it." When one has the ability and the knack of putting it into play there is always a place for him.

Every Extra Effort Pays Well

DURING this time when the business world is muddled and the skies are not clear, when business enterprises are being tested to their utmost, those who are fortunate enough to be employed should realize that every extra effort pays well. If necessary, we should put on additional steam and work a little harder. That is the price of success in these strenuous times.

PERSONAL SIDE OF BUSINESS

Judge C. T. Warner, Ohio superintendent of insurance, was suggested last week for appointment as judge of the probate court at Columbus to succeed Judge H. Z. Bostwick, who had been removed. Judge Warner has previously served on the common pleas bench. However, Governor White named C. P. McClelland to the position, being loath to disturb conditions in the insurance department, which is running so smoothly under the direction of Superintendent Warner. Many insurance men were glad to learn that Judge Warner is not to be taken from the department.

—

Two former Michigan field men met in Los Angeles last week at the meeting of the National Association of Insurance Agents and journeyed east together to Detroit. They were **J. K. Livingston,** who now resides in Los Angeles and **C. D. Livingston,** insurance commissioner of his state. Both traveled in the Michigan field for many years together. J. K. Livingston left the field and became a partner in the local agency of MacNaughton, Livingston & Co. at Detroit. He retired about five years ago and went to Los Angeles.

—

Mr. and Mrs. **E. D. Marr** of Kansas City, Mo., celebrated their golden wedding anniversary last Sunday in Omaha, where two of their daughters reside.

Mr. Marr is now an independent adjuster at Kansas City. He entered the adjustment field several years ago after retiring as state agent for Missouri for the New York Underwriters. He is well known in fire insurance circles throughout the country. He is a former most loyal grand gander of the Blue Goose and was the first insurance secretary of the order.

—

C. P. Helliwell, general agent for the New Brunswick, recently elected grand wielder of the Blue Goose, expects to have the grand nest headquarters established in his offices and in working order about Nov. 1. Much additional space is necessary to house the workers and facilities for the order's group insurance plan, in addition to the regular grand nest business.

—

George E. Olmsted, Des Moines local agent and president of the United States Junior Chamber of Commerce, is in Washington, D. C., conferring with President Hoover on the unemployment situation.

—

Ed P. Eppich, of E. P. Eppich & Son, Denver general agents, was admitted to golf's hall of fame Sunday when he scored an ace on the 11th hole at Lakewood club. Using a No. 3 iron he made a high pitch shot, landing just short of the hole and rolling in. Among those with whom he was playing was J. R. Gardner, president Merchants Fire of Denver.

—

There were a number of **former midwestern field men** who are now living in Los Angeles who attended the annual convention of the National Association of Insurance Agents in that city. Among the number might be mentioned Fred R. Holt, former Illinois field man for the Fidelity-Phenix; George W. Briggs, son of the late N. E. Briggs, old time Illinois state agent for the North British; H. C. Eddy, Jr., son of the former western manager of the Commercial Union; P. B. Churchill, who traveled in Minnesota for the New York Underwriters and "Duke" Collins, former examiner and later field man for the North British.

—

S. Y. Tupper, Jr., son of S. Y. Tupper, southeastern manager for the Royal and Queen, with headquarters in Atlanta, is looking forward to the appearance this week of his first novel, "Some Go Up." Young Mr. Tupper is associated with his father in the insurance business but during his hours away from the office he has devoted himself to writing this new novel.

The story is one of social and family life in Atlanta since 1908. It concerns the changing fortunes of two families, the first dominated by a social-climbing mother, and the second representative of declining aristocracy. The title is from a passage in "Uncle Remus":

"Some goes up, en' some goes down,
You'll git to de bottom, all safe en' soun!"

—

There's an old adage—that a man getting his nose broken in two places should stay out of those places. The same undoubtedly applies to ankles. **S. E. Bickard,** state agent New York Underwriters, Fargo, played in the Baker Insurance Agency golf tournament at Fargo, N. D., last week. The tournament was over and entrants were eating a picnic supper. Mr. Bickard was demonstrating his drive and swung prodigiously at the imaginary ball. He swung so hard that he lost his balance and his ankle snapped twice as he tried to recover his equilibrium.

—

G. W. Watt, a well known New England fire underwriter, died at his home in Brookline, Mass., Sept. 26. At one time he served as vice-president of the Girard Fire and when the company was taken over by the Firemen's, became state agent in New England for both the Girard and the Mechanics, the latter also a member of the Firemen's group. In recent years Mr. Watt's activities were practically restricted to supervising the Boston business of the two companies. He was a descendent of James Watt, inventor of the steam engine.

—

Marshall Morgan, special agent in Alabama for the Liverpool & London & Globe, is back on the job after a honeymoon trip. He was married recently to Miss Eleanor Dwyer, formerly at the company's head office.

—

Lincoln, Neb., can boast of an insurance organization, that is the largest of its kind in the nation. The **Farmers Mutual** of Nebraska, writing farm insurance on the assessment plan with an annual premium income of approximately $600,000 leads its nearest rival, Buckeye State Mutual of Covington, O., by about $125,000.

The success of this company in its 40 years experience is largely based on two practices: Careful selection and careful inspection of its risks. No application is accepted which does not meet the standard set and no policy is long in force where the owner allows the property to deteriorate.

In its own modest office building on P street in commodious rooms on the second floor with easy access is found President W. E. Straub. Mr. Straub greets his visitors with courtesy and affability and after an interview with him one leaves with the well grounded impression that as long as his is the guiding hand it will continue on its even way.

—

A. Blakeslee White, former manager of the Los Angeles Insurance Exchange, who met with a severe automobile accident resulting in a fracture of his jaw and later infection, is now at a sanitarium in Monrovia, Cal., in the heart of the orange district. It is stated that he is overcoming his disability. Mr. White was formerly a leading agent in West Virginia and was president of the West Virginia Association of Insurance Agents.

—

H. W. Krogman, member of Engelhard, Krogman & Co., Chicago, local agency, was operated on recently for appendicitis. It is expected that he will return to his home within the next few days.

The White Fireman* suggests this practical way to observe Fire Prevention Week . . . .

attention to your cellar



In the average home, the most fire-dangerous part of the house is the cellar.

Make *your* cellar SAFE

By removing all rubbish, empty boxes, old furniture and similar combustible accumulations.

By going over flues, chimneys and heating system generally, with repairs where needed.

By inspection of electric wires, connections and appliances for defective insulation.

By providing metal receptacles for ashes.

Fire Prevention Week is October 4th to 10th, incl.

★ The White Fireman symbolizes the loss-prevention engineering service supported by insurance companies to reduce loss-hazards. It comprises consultation, inspection of property, testing by Underwriters' Laboratories, etc.

WHITE FIREMAN Service may be secured through responsible insurance agents or brokers. Ask your North America Agent. He is listed in Bell Classified Telephone Directories under the heading . . . Insurance Company of North America.

The combined Assets of the North America Companies are over $117,000,000.00

The

Insurance Company of North America

PHILADELPHIA

The Oldest American Fire and Marine Insurance Company—Founded 1792

and its subsidiary companies:

ALLIANCE CASUALTY COMPANY
THE ALLIANCE INSURANCE CO. OF PHILA.
CENTRAL FIRE INSURANCE COMPANY
INDEMNITY INS. CO. OF NORTH AMERICA
NATIONAL SECURITY FIRE INS. CO.
PHILADELPHIA FIRE & MARINE INS. CO.

write practically every form of insurance except life

FIRE Prevention Week comes and goes each year, with the White Fireman always on the job.

The records of such cities as Grand Rapids, Mich.; Lakewood, Ohio; Kansas City, Mo.; Wichita, Kans.; Philadelphia, Pa., prove the efficiency of organized and consistent fire prevention work.

Above is shown, in reduced size and without the color of the original, a full page advertisement appearing in The Saturday Evening Post, October 3rd; The Literary Digest, October 3rd.

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

F. W. Adams Taken by Death

Postpone Annual Meeting of Trumbull County Association in Respect for Veteran

Fred W. Adams, 63, secretary of the Adams Insurance Agency, Warren, O., died last week. The annual meeting of the Trumbull County Association of Insurance Agents was to have been held last week but was postponed on account of Mr. Adams' death, his son, Gorman W. Adams, being president of the association.

The Adams Insurance Agency is one of the oldest in northeastern Ohio, being founded in 1857 by the late Mr. Adams' father, Whittlesey Adams. Mr. Adams was a native of Warren. His entire life was spent in that city where he was prominent in its business life and growth.

His education was secured in the Warren public schools and he was graduated from the high school in 1887. He entered the city's business life in 1889 when he became a member of the Adams Insurance Agency Company. He took an active interest in civic affairs.

West Virginia Fire Prevention

Through the chairman of its fire prevention committee, the West Virginia Association of Insurance Agents has called upon the local agents to plan a fire prevention program in their respective communities, in cooperation with civic or other organizations. The West Virginia Fire Underwriters Association will cooperate in the activities—through the inspection of any city or town in the state where invited to stage one.

Fire Preventionists Active

The Fire Prevention Association of Ohio is making arrangements for inspections at Geneva Oct. 8, Sandusky Oct. 15 and Westerville Oct. 29. Following a precedent established by the village of Upper Arlington, Columbus, which is providing accommodations for several Ohio State University students in return for their services at night on the fire department, the fire department at Westerville is providing rooms for three Otterbein College students.

At the fire inspection at Elyria last week, 311 buildings were visited and 687 recommendations were made, two buildings being condemned. J. W. De Cessna addressed more than 2,000 high school children and President H. L. Rubrecht and others spoke.

May Provide Fire Protection

Attorney General Bettman of Ohio holds that fire apparatus belonging to a volunteer fire company, which was destroyed by fire, may be restored by the township's contracting with the volunteer fire company for fire protection. The attorney general holds that if there is a volunteer fire company that gives assurance of permanency and efficiency, the township trustees may purchase fire apparatus and appliances for the use of the company.

Ohio Fire School Held

The second annual Ohio fire school was held last week at Ohio State University, Columbus. R. B. Criswell of the Ohio Inspection Bureau and Dr. Harvey Walker of the university were in charge. T. Alfred Fleming, supervisor of the conservation department of the National Board, spoke Monday. Several members of the Ohio Inspection Bureau read papers. The attendance was very good, 467 men enrolling. A lively interest was shown at all meetings, and topics were discussed earnestly.

Fire Prevention Conference

DAYTON, O., Sept. 30.—The Miami Valley Fire Prevention Conference was held here yesterday. Among the speakers were M. P. Luthy, Lumbermen's Mutual Casualty, on "Arson and Depression," and Ralph E. Richman, editor of "Fire Protection," on "Fire Waste in Industry."

Form Finance Subsidiary

Directors of the National Guarantee & Finance Company of Columbus, O., have formed a subsidiary for the specific purpose of financing insurance premiums. The new company is to be known as the N. G. & F. Corporation. Directors are Columbus and Cincinnati men. The president of the corporation is John E. Davis of Columbus.

Zanesville Agent Indicted

Fourteen indictments have been returned at Janesville, O., against W. A. Lorimer, former real estate agent and insurance man, embracing 19 counts as follows: Embezzlement, 12; perjury, 3; forgery, 2; larceny, 1, and fraud 1. Lorimer conducted one of the leading agencies in Zanesville.

Ohio Notes

The **Webster Insurance Agency,** Hamilton, O., has been incorporated.

The **W. A. Lorimer** agency, Zanesville, O., has been transferred to the Young Insurance Agency.

W. J. Gilsdorf, state agent of the Alliance, Columbus, is to be a fire prevention speaker at Zanesville, O., next week.

CENTRAL WESTERN STATES

Farm Agents Hold Meeting

Illinois Association Is Now Endeavoring to Increase the Membership—Annual Gathering in Peoria

A meeting of the executive committee of the Illinois Farm Insurance Agents Association was held at Streator, Ill., with 15 members of the executive committee and committee chairmen present. Mark I. Hall of Belvidere presided. A general discussion of business and ways and means of increasing the membership followed. The association, which was started at Streator in 1929 by four or five agents who conceived the idea of getting the farm agents of Illinois together for the benefit of both agents and companies, has grown to be an organization of over 40 agencies representing all parts of the state. The association has accomplished much for the benefit of the companies they represent and the members. The most active members are those who have been the most successful producers. About 15 farm writing companies were represented. Each of those present agreed to use his best efforts toward the increase in membership by furnishing the names of all farm agents in his locality to Secretary Perry J. Keck of Fairbury, Ill., who will send each of them an invitation to join and attend the next annual meeting in Peoria in January, 1932. A real program is being arranged for that time and the exact date will be announced later.

Question Qualification Law

Discrepancy in Illinois House and Senate Records on Agents Measure May Invalidate Act

The new agents' qualification law of Illinois may be declared void, or at least be held up by a court test for a long time as result of the discovery that serious discrepancies as to its provisions exist in records of the house and senate. The brokers' bill, however, is not in question.

It now appears the discrepancies occur over the amount appropriated for carrying out provisions. The statute, House Bill 735, provides that after March 1, 1932, no person, partnership, association or corporation shall act as agent or broker in soliciting insurance without first complying with the act and procuring certificate of authority from the director of trade and commerce. To enable provisions of the bill to be administered, section 21 of the act, as passed by the house, appropriated $50,000 a year or as much thereof as might be necessary.

Rush Causes Mistake

As passed by the senate, the amount appropriated was raised to $100,000 a year, but, in the last minute rush of legislation the house failed to take official cognizance of this senate change, and so the record of the one branch shows $50,000 and the other $100,000. Official copies of the session laws issued by the secretary of state place the amount appropriated at $100,000 in the preamble to the bill, while the amount shown in the body is $50,000.

There has been no official announcement, but it is understood that the attorney general's office and the state legislative bureau are considering whether the conflict in figures is fatal or a way may be found out of the entanglement. The act contains the usual saving clause, yet there is said to be precedent for the belief that a discrepancy in official records as to amount of appropriation nullifies the appropriation. The statute would be more than self-supporting from the license and other fees to be collected under its provisions, but, in the absence of valid appropriation, the insurance department would be without means to carry out its provisions regardless of the amount of fees that might be collected.

There was enough opposition to passage of the law, even in amended form, to make certain that a court test of its validity will be made in case the attorney-general rules that the discrepancy is not fatal. In case of an adverse opinion by the attorney-general, Governor Emmerson may be asked to include the subject in his call for a special session.

The brokers' companion measure, House Bill 734, for which an appropriation of $25,000 was made in a separate act, Senate Bill 709, is not involved in the contest.

Cut Fire Marshal Salaries

INDIANAPOLIS, Sept. 30.—The state budget committee has ordered drastic cuts in salaries in the state fire marshal's office. The chief investigator's salary has been reduced to $2,400 a year; the arson chief to $2,100; head of the educational bureau to $1,920; field inspector, $1,920; field directors and investigators to $1,980; inspectors to $1,620; secretary to $1,500 and statistical clerk to $1,560. The publicity director was given an increase of $10 a month.

Hubbell Elected to Head Indiana Preventionists

INDIANAPOLIS, Sept. 29.—At the annual meeting of the Indiana State Fire Prevention Association here last week, E. R. Hubbell, Royal special agent, was elected president, succeeding W. J. Henshaw. George R. Juenger, Westchester, was elected vice-president and Karl D. Weaver, North British, was re-elected secretary-treasurer. There was a brief discussion of work to be undertaken during the coming year but no definite plans were announced.

Bureau Field Club Meets

The Indiana Field Club of the Western Insurance Bureau held its first meeting since the convention at Lake Wawasee last June in Indianapolis Sept. 28. A dinner preceded the business session. It was decided to send copies of a model constitution and by-laws recommended for use by field clubs of the Bureau to all members before the next meeting in order that suggestions might be made intelligently before official action was taken either for adoption or amendment.

Virtually the entire membership attended the meeting and according to G. S. Valentine, Jr., president, indications point toward more active cooperation on the part of members this year than ever before.

Arrange Suburban Protection

BIRMINGHAM, MICH., Sept. 30.—Bloomfield township board of supervisors is going ahead with plans for a fire department to serve the township as the result of authorization given by residents at a recent mass meeting for the creation of a special assessment district for the purpose. The township, containing many fine suburban residences, has had inadequate protection for some time, especially since the Birmingham department stopped making runs outside the village limits. A pumper and truck are to be purchased at a cost of about $5,000 and four full-time men will probably be hired at an estimated expense of $6,000 annually.

H. M. Frink in Indiana

H. M. Frink, assistant secretary-treasurer of the Homeseeke s Fire of Wheeling, W. Va., is giving special attention to Indiana for the present. C. F. Souder, of Toledo, state agent for Ohio, accompanied hifn in Indiana last week.

Michigan Notes

The **Hinckley Agency,** Detroit, has been incorporated by Paul E. Hinckley, Estelle N. Hinckley and Edith Sklar.

The **Michigan State Fire Prevention Association** will inspect Muskegon and Muskegon Heights, Oct. 8.

G. A. Hughes, Willette & Hughes Agency, Detroit, is in the hospital with painful injuries following a head-on crash with another automobile in which two women were killed and one seriously injured.

LOYALTY GROUP

TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself: Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven; that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D.. History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D., and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. **It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.**

Almost two thousand years ago a wise teacher and leader of men said:

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

NEAL BASSETT, President.

NEAL BASSETT, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Vice-President — WELLS T. BASSETT, Vice-President — ARCHIBALD KEMP, 2d Vice-President

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The John Hancock's contribution to the movement is a booklet, "Control, The Golden Rule for Motorists," giving the rules for safe driving; and a moving picture film, "Why Be Careless," realistically portraying the hazards of the highway.

The booklet, "Control," pocket size and fully illustrated, has been distributed throughout the country since its publication in 1926, through Chambers of Commerce, Automobile Clubs and Safety Councils and other organizations.

The film "Why Be Careless" is usually shown by health officers to small groups in health centers and other semi-public places. It is also shown occasionally in motion picture theatres and to large audiences at fairs, exhibitions and the like. Since it was made at the close of 1929, it has been shown more than 500 times to audiences totalling more than a million.

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MUTUAL
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We shall be glad to supply "Control" booklets to any members of the underwriting fraternity interested, or to arrange for the showing of the film. Address John Hancock Inquiry Bureau, 197 Clarendon Street, Boston, Mass.

STATES OF THE NORTHWEST

Legislators to Be on Program

New Feature Arranged for Wisconsin Insurance Day to Be Held in Milwaukee Oct. 28

MILWAUKEE, Sept. 30.—Committee chairmen for Wisconsin Insurance Day, sponsored by the Insurance Federation of Wisconsin, to be held here Oct. 28, have been announced by W. W. Belson, secretary of the federation.

W. M. Wolff, resident vice-president Fidelity & Deposit, is general chairman. Committee heads are: Finance, F. J. Lewis, president George H. Russell Company; publicity, T. C. McLaughlin, manager casualty department Travelers; program, A. L. Wortmann, manager Aetna Casualty & Surety; entertainment, George F. Haydon, manager Wisconsin Compensation Rating & Inspection Bureau.

A new feature of this year's program will be brief discussions of insurance legislation passed at the 1931 session, by members of the Wisconsin legislature. Ten-minute talks will be given by Senator Irving P. Mehigan, who has had much experience in insurance law; Senator Oscar Morris, head of the better business bureau of the Milwaukee association of commerce; Senator Leonard Fons, a son of Louis Fons, who heads a large Milwaukee agency, and Assemblyman John Grobschmidt, an insurance man. Other members who will take part in these brief discussions will be announced later.

Park Is Chief Fire Rater for Wisconsin Department

MADISON, WIS., Sept. 30.—C. M. Park of Madison has been appointed fire insurance rater in the Wisconsin department by Commissioner Mortensen. Mr. Park ranked first on the list of eligibles certified to the commissioner by the bureau of personnel following a civil service examination.

Mr. Park's insurance career began in 1906 as a local agent in Milwaukee. He was an inspector for the Wisconsin Inspection Bureau, 1909-14, and manager of its Madison branch 1914-17. In 1917 he became chief fire rater in the Wisconsin department, remaining there for three years and resigning to become state agent for the London Assurance. For the past year he has been rating engineer for the Neckerman Agency of Madison.

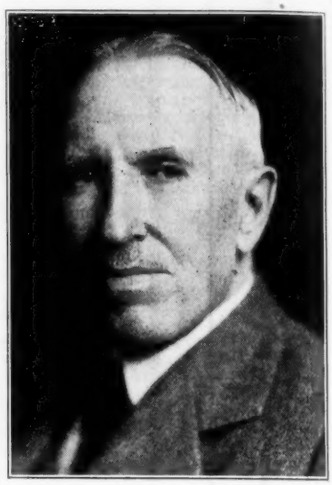
Wisconsin Storm Loss Heavy

MILWAUKEE, Sept. 30.—Heavy tornado losses were suffered in the storm which swept through sections of southern Wisconsin last week. The storm caused heavy damage at Milton Junction, Whitewater, Orfordville, Footville and other small towns and cities in that district. Greatest losses were suffered by public utilities, because of the destruction of poles, wire and other equipment. Other heavy losses occurred on farms, many of which were completely swept away. Windstorm losses on dwellings, barns and other farm buildings were exceedingly heavy. At least 500 farms suffered damage.

Madison's Fund Nears Limit

MADISON, WIS., Sept. 30.—Completion of the city of Madison's $50,000 insurance fund this year will permit the city to carry its own insurance on some city property, it was announced following a meeting of the common council. A committee of five will be appointed to study the present plan of carrying insurance on city buildings exclusive of schools. Madison public schools are now insured with stock and mutual companies after considerable effort on the part of some interests to have them covered by the Wisconsin state fire fund. Local agents at Madison, working through their local board, pointed out the value of service and protection offered by private companies, and averted state fund coverage for the schools.

Veteran Official in Speech to Loss Men



CHARLES R. STREET, Chicago

Vice-President and Western Manager C. R. Street of the Great American group spoke this week before the adjusters association at Minneapolis. Mr. Street is not only a student of underwriting but of losses as well. He has a comprehensive knowledge of all phases of the business.

Push Fire Prevention Week

MILWAUKEE, Sept. 30.—F. R. Daniel, chief engineer of the Wisconsin Inspection Bureau; Henry Eckstein, president of the C. F. Hibbard Company; Paul E. Rudd, state agent for Aetna, and E. F. Hackett, chief of the fire prevention bureau of the Milwaukee fire department, are leading the fire prevention week campaign in Milwaukee. Mr. Daniel is chairman of the fire prevention section of the Milwaukee association of commerce.

Baker Host to Field Men

Roy T. Baker, head of the Baker Insurance Agency at Fargo, N. D., held a golf tournament and outing for the field men of the company's representatives in his office and the Baker agency employes. The affair was held at Fargo country club and after the golf tournament there was a beefsteak dinner. In addition to the employes of the Baker agency there were nine field men in attendance and also Gordon Nesbit, vice-president of the First National Bank of Fargo. Mr. Baker plans to have a similar tournament and outing held each year.

Wisconsin Notes

The **State Bank Insurance Agency,** Florence, Wis., has been incorporated by J. J. Pontbriand, A. M. Judge and M. Sells.

The **W. F. McCarthy Company,** Burlington, Wis., has been incorporated by W. F. McCarthy, W. F. McCarthy, Jr., and Loraine McCarthy.

IN THE MISSOURI VALLEY

May Drop State Hail Fund

Nebraska Commissioner to Recommend Discontinuance Unless Business Increases Next Year

LINCOLN, NEB., Sept. 30.—Commissioner Herdman announces that unless the business done by the state hail bureau increases next year, he will suggest to the 1933 legislature that it be discontinued. The business has been declining in the last eight years, and more rapidly in recent years. This year premiums collected totaled but $5,798. The claims were but $2,370, and checks for these are now being mailed. The law requires that the claims be paid on or before Dec. 1 each year, and it has been customary to hold off payments until it is certain that the finances of the bureau will warrant full payment. Several years it was necessary to prorate premium funds among claim-holders because of heavy losses and because the state supplies no part of the fund. Payment is being made earlier this year because of the financial necessities of farmers who, in addition to other troubles, lost all their crops by hail.

A balance of $19,000, which has accumulated from premiums over the last three years, made it safe to pay all claims now. If the fund is discontinued the balance will go into the state general fund. Mr. Herdman says that in spite of the fact that the bureau rates have generally been lower than the premium charges of privately-owned companies, the business of the state has steadily declined until it is now too small to bother with, considering that solicitation must be by precinct assessors and all other work handled by the department. Failure of the state to pay in full in former years has been one of the reasons for unpopularity of the fund, but the chief reason ascribed is that the private companies pay losses promptly, while the state waits till it knows definitely how the premium revenues compare with losses.

Complete the Distribution of Impounded Kansas Premiums

TOPEKA, KAN., Sept. 30.—Commissioner Hobbs has completed the distribution of the Kansas impounded premiums involved in the fire insurance rate litigation. He has sent out more than 1,000,000 checks to the policyholders aggregating $3,000,000. Checks for $350,000 have been returned as undeliverable by the postal authorities. An effort is to be made by agents of the department, working through the local insurance men and the newspaper men of the different towns and cities to obtain a trace of the estates or those who are entitled to have the checks. When this work is completed the remainder of the money, along with the interest accumulations on the funds during the eight years of the lawsuit, will go into the state treasury.

Calhoun to Address Kansas Agents' Topeka Convention

President W. B. Calhoun of the National Association of Insurance Agents will speak on the first evening at the Kansas association's annual convention in Topeka, Oct. 15-16. Other speakers previously announced are T. S. Ridge, Kansas City, National association executive committeeman, Commissioner Hobbs of Kansas and T. N. Mulloy of the Kansas Public Service Commission.

With the exception of the appearance of President Calhoun on Thursday evening, the convention will be a one-day affair this year, ending with a dinner-dance at the Topeka Country Club Friday night. Agents are being urged to arrive Thursday, however, to participate in the golf tournament which will be held that day. On Saturday the convention will move in a body to Lawrence where the Lawrence Board will give a luncheon, following which members will attend the annual Kansas University-Kansas Aggie football game.

Iowa Storm Losses Heavy

DES MOINES, IA., Sept. 30.—The last half of September will go on record as the worst storm period in the history of Iowa. Owing to the lateness of the season crop damage will not be so heavy, but the loss on live stock, automobile tops, damaged roofs, wrecked buildings, broken windows resulting in damaged goods in mercantile establishments and house furnishings in residences was severe.

In Davis county, including the city of Bloomfield, the loss is placed at fully $500,000. Hail stones as large as baseballs, driven by a wind of cyclonic velocity, broke 15,000 window panes in that city, ruined the roofs on 600 houses, smashed in store fronts and literally annihilated two large greenhouses. From all sections of the state come reports of destruction by wind, hail and lightning. Adjusters have been busy for two weeks in an effort to measure the extent of the damage. Believing the hail season to be over, some mutuals had already made levies covering the year's losses and will have to do it over.

Kansas Splash Nov. 3

WICHITA, Sept. 30.—The Central Kansas Field Men's Club had a large meeting here this week. C. E. Bleckley, Rhode Island, most loyal gander Kansas Blue Goose, announced that a "splash" would be held here Nov. 3, at which time several goslings will have their pin feathers plucked, followed by a banquet.

Iowa Pond Resumes Luncheons

DES MOINES, IOWA, Sept. 29.—At the first fall luncheon of the Iowa Blue Goose here Monday, C. D. Wherry, most loyal gander, gave a detailed account of the national meeting at Milwaukee. He also told of the plans being evolved for the entertainment and instruction of the Iowa pond during the coming season. Mr. Wherry stated that a special campaign will be inaugurated to increase the number of policies held under the group life insurance program. He announced that about 50 percent of the membership is now affiliated. "Uncle George" Newman, dean of Iowa field men, spoke tenderly of his more than 40 years' relations with the field men.

Complete Kansas Rerating

TOPEKA, KANS., Sept. 30.—The rerating of the classified cities of Kansas has been practically completed by the Kansas Inspection Bureau. Only Winfield, Pittsburg and Fort Riley remain to be inspected by the engineers and the ratings published. The inspections of Winfield and Pittsburg have been completed but the business men of both cities are at work trying to improve the fire protection and other conditions in order to secure improved classifications and therefore lower base rates.

Iowa Notes

Sam Barron has opened a general insurance office at Clarinda, Ia.

The **Fred B. DeWitt** insurance agency, Griswold, Ia., has been sold to Benton Christian and Hilton Conderman.

H. P. Pratt, vice-president and manager of the Grandy-Pratt Co., Sioux City,



CHARACTER

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Will Wrighten
(Field Correspondent)

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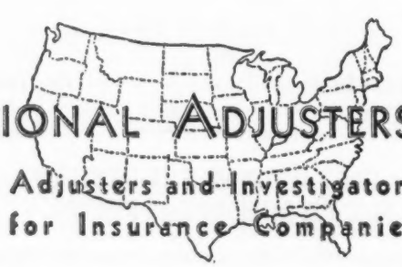
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21ST FLOOR BALTIMORE TRUST BUILDING
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Ia., has been appointed a member of the board of education of that city.

T. G. Russell & Sons, Newton, Ia., has incorporated. T. G. Russell, is president; J. H. Russell, vice-president, and Murray Russell, secretary-treasurer.

Kansas Notes

The **Citizens Finance Company** agency of Wichita, Kan., has purchased the **Louis B. Hess** agency.

Robert Burns of the Harris, Burns & Co. agency of Wichita is the proud father of a son, born Sept. 22.

Mrs. O. W. Palm, wife of the veteran fire insurance man who has conducted one of the larger general line agencies at Lincoln for more than 40 years, died very suddenly of a heart attack, aged 70 years.

News of States in the Southwest

Want to Reduce Fire Waste

Plan Is on Foot in Texas to Organize a State Fire Prevention Organization

DALLAS, TEX., Sept. 30.—Owing to the fact that over-insurance is manifesting itself throughout the state, partly due to reduction of real estate values and building costs, a movement has been started to grapple with the situation and take steps to educate the agents and public as to the function of insurance and to bring out the fact that over insurance creates moral hazard. A number of field men and officials of Texas companies and some of the leading general agents met here and appointed a committee to see whether a fire prevention association could be organized which would be efficacious in reducing fire waste. It seemed to be the opinion that if such an organization is established it can secure the cooperation of city officials, chambers of commerce, fire departments, local agents' organizations and civic associations. One town in west Texas that had a good fire record in 1929 now faces the possibility of having a penalty imposed for bad record during last year. The officials of the city called on the insurance companies to make detailed inspection and have a revaluation of property reducing all insurance at least to the value and thus minimizing moral hazard.

Letter Has Gone Out

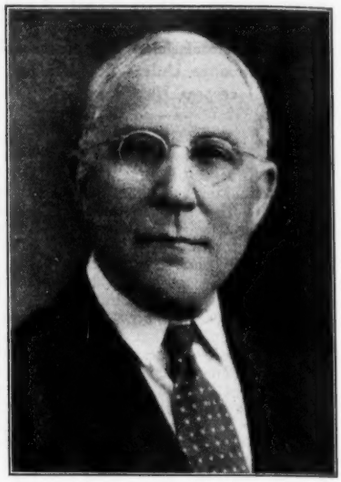
A letter has gone out over the signature of Edward Wright, vice-president Industrial of Dallas, as chairman, sounding out leading people in Texas as to their feeling regarding the movement. Mr. Wright's coworkers on the committee are President R. A. Belknap, Trinity Fire; O. F. Grover, secretary America Fore; C. M. Hunt, state agent American; W. Hugh Hunter, manager Commercial Union; T. L. Lauve, Trezevant & Cochran, and Secretary T. R. Mansfield, Gulf. The committee asked for an expression of opinion and if it is favorable a general meeting of company representatives will be called to meet in Dallas to arrange for a permanent organization.

Expression from the Committee

Part of the letter reads as follows: "Continued excessive fire losses has resulted in calls from various cities and towns for the full cooperation of insurance companies in an effort to eliminate some of the conditions responsible for this excessive waste. Texas cities and towns feel this condition particularly, owing to the fact that penalties in the form of increased rates are applied to entire cities for a bad loss record. For several years this state has been without a company organization of a fire prevention nature, and a representative group of company men, including officials of local insurance companies, department managers, general agents and special agents met today and gave consideration to the organization of a company fire prevention association in Texas.

"It would be the purpose of this organization to operate along the usual plan of similar organizations in other states by inspections, enlisting the assistance of city and state officials, commercial and civic organizations and cooperating wherever desirable in an effort to reduce our fire waste. This would be the only purpose of our proposed organization."

Injury Started Iowa Leader in Insurance



WILLIAM A. SCHERFE

William A. Scherfe of Fort Madison, Ia., who has just been elected vice-president of the Iowa Association of Insurance Agents, owes the fact that he is an insurance man to an accident. Until 1892 he was a locomotive fireman. In that year he was seriously injured in the line of duty and for two years was on crutches.

In order to keep the wolf from the door, Mr. Scherfe began to solicit insurance, which was not unnatural, since his father was in the business. Until 1900, Mr. Scherfe fought an uphill battle. In that year he contracted to sell insurance for the New York Life and by 1903 was on his feet financially. Then he was appointed field man for the old Connecticut Fire; later serving with the German American for eight years and then with the British America and Western of Toronto for ten years.

During all this time Mr. Scherfe operated a local agency, which experienced a successful growth so that by 1922 he decided to devote all his attention to the local business, and resigned all field work except a certain amount of adjusting.

Mr. Scherfe has been connected with the Iowa Association of Insurance Agents since its organization; he has served on many committees and has helped greatly in its growth. He has represented the Great American, North British & Mercantile, Fire Association and Queen since 1893. He also represents the Home of New York, Hartford, Phoenix of Hartford, Fidelity Phenix, New York Underwriters, Fidelity & Casualty and American Surety.

Tentative Program Given for Oklahoma Agents' Meet

OKLAHOMA CITY, Sept. 30.—Under the tentative program announced by F. Wiley Ball, president of the

Oklahoma Insurors, for the annual convention here Oct. 16, the meeting will open with reports of the president, Mott Keys, secretary-manager, and standing committee chairmen. The main address of the morning session will be given by W. M. Murdoch, secretary Oklahoma insurance board, on "Insurance Conditions in Oklahoma and Means for Remedying Them." The afternoon session will open with an address by B. G. Foreman of Fort Worth, secretary Texas Association of Insurance Agents, followed by a talk by C. T. Ingalls, manager Oklahoma Inspection Bureau.

Open discussion of local problems confronting the Oklahoma agents will be conducted under the direction of the president, followed by election and installation of officers.

Floyd West Now Sole Owner

DALLAS, TEX., Sept. 30.—Floyd West is now the sole owner of the Floyd West General Agency of Dallas. An amicable arrangement was made last week with Cravens, Dargan & Co. of Houston whereby Mr. West relinquishes his interest in that organization and assumes the complete ownership of the Floyd West General Agency. This arrangement is one that is mutually satisfactory, both to Cravens, Dargan & Co. and to Mr. West. Mr. West has dismissed the suit he filed against Cravens, Dargan & Co. last week.

Incendiary Fires Reduced

OKLAHOMA CITY, Sept. 30.—Incendiary fires in Oklahoma have been reduced nearly 50 percent in the last four months, J. T. Jones, state fire marshal, announced. In that period 87 arrests have been made and a number of convictions secured. Some suspects are out on bond and others of the 87 have not been brought to trial.

Get Trip to Monterey

Twenty-one agents representing the Western National Fire of San Antonio were awarded a trip to Monterey, Mexico, on a basis of volume production. There were side trips to Villa de Santiago and Topo Chico.

Texas Notes

W. S. Fontaine of San Antonio, special agent for the Fireman's group, after several weeks in the hospital, is again able to be at his desk.

Miss Imogene Anderson, daughter of **C. L. Anderson** of San Antonio, Tex., for ten years special agent for the Republic of Dallas, has gone to Baltimore to study portrait painting and illustrating in Maryland Institute.

The **Hutchings Credit Corporation** has purchased the Preston Maxwell agency at Bentonville, Ark. Mr. Maxwell will remain as manager of the agency.

IN THE SOUTHERN STATES

Double Insurance Tax Sought

Covington, Ky., Employs Agent to Collect Occupational Tax—Local Men Take Action

COVINGTON, KY., Sept. 30.—The Covington, Ky., city commission has entered into a contract with Clinton Gardiner, insurance agent and accountant, under which Gardiner is to receive 50 percent of any and all money collected from insurance companies, which have failed to pay occupational tax of 1.5 percent on fire premiums; and 2.5 percent on life, accident and health. Mr. Gardiner has stated that the city's share of the collections should run $20,000.

Mr. Gardiner claims that agents and companies are subject to tax not only on premiums of business done in Covington but on all premiums handled through Covington offices regardless of where the property may be located. He also says insurance written in other cities on Covington property is also taxable. Samual Adams, city solicitor, is of the opinion that tax could only be collected on business written in Covington on Covington property.

Gausepohl Names Committee

Mr. Gardiner charges that 66 fire and casualty companies doing business in Covington had made no returns to the city. He estimates that the city is not receiving taxes on business totaling more than a million dollars annually.

Joe Gausepohl, president Northern Kentucky Underwriters Association, has named a committee to discuss the matter with City Manager O. A. Kratz and members of the city commission. The insurance men are naturally very much opposed to paying any taxes on premiums collected on property other than those within the city of Covington. Mr. Gausepohl says companies and agents will resist payment of taxes on insurance written on property outside of Covington and pointed out that if other cities forced payment of taxes by outside agents, a Covington agent would have to pay double taxes.

Send Tax Bills to Companies

Mr. Gausepohl believes that the Covington agents are subject to the occupational tax on premiums written on property within Covington but not outside of the city. On business written in Covington, the tax is added and paid by the assured. No collection has been made of tax on outside premiums.

Mr. Gardiner's first move will be to send out tax bills to the companies with no attempt to first take it up with the agents, as almost every company represented in the city has more than one agent.

Seek Reduction in Rates on Sprinklered Property

NEW ORLEANS, Sept. 30.—A petition has been filed with the Louisiana insurance commission by W. H. Campbell, insurance broker and former fire marshal, for a hearing to obtain lower insurance rates for risks that are protected by sprinkler equipment. The petition states that the schedules for fixing the rates on sprinklered risks are so formulated that, in their application to risks of essentially the same hazard and having substantially the same degree of protection against fire, the results in rates are excessive and discriminatory.

"The properties affected by the sprinkler system rates include in excess of 500 of the most selective retail, wholesale and manufacturing establishments in the state," Mr. Campbell said. "The values run into the millions, as may be indicated by total premiums collected by fire insurance companies which, over a five-year period, amounted to over $3,000,000. The public wharves of the dock board are included in this class, because of their recent equipment with sprinklers."

Important Questions Up at Virginia Field Club Meet

RICHMOND, Sept. 30.—The Fire Insurance Field Club of Virginia at its quarterly meeting in Richmond Oct. 13 has several matters of importance slated for discussion. One is the question of stock and mutual separation. A case has arisen in Norfolk in which a 100 percent stock agency complained that a competitor was using a mutual in his office to take business away from him. A considerable volume of preferred business had already been lost by the complainant. He intimated that he might be forced to take on a cooperative company himself unless something were done to correct the situation. It is possible that the Virginia specials may petition their companies to put up the bars against all mutuals instead of making exceptions in certain instances.

The question of agency balances is also to come before the meeting. Another is the proposed establishment of a permanent committee to sponsor inspection work.

Following adjournment, there will be a social session at the Chickahominy Club at which members of the Insurance Exchange of Richmond will be guests of the field men. For several years the specials have been guests at annual meetings of the exchange at the same club and it was thought fitting that they should play hosts to the local agents at their forthcoming meeting.

Local Board Directors to Pass on License Requests

ORLANDO, FLA., Sept. 30.—The directors of the Florida Local Underwriters Association have adopted a resolution recommending that local boards ask their members to refrain from signing or endorsing an applicant for an agent's license until after that applicant has been passed upon favorably by the directors of their local boards and where endorsement of any applicant is not approved by the directors, that such action be reported to the insurance commissioner.

The boards at Tampa, Fort Meyers and Orlando have adopted the principle and others are expected to follow. Quinlan Adams, president, says: "This is not an effort to keep new agents from going into the business, but looks to making it more difficult for undesirable applicants to be licensed." He also considers it important that under the new law company representatives will not hereafter be able to sign the qualification certificates required before license can be issued.

Mobile Prorates School Cover

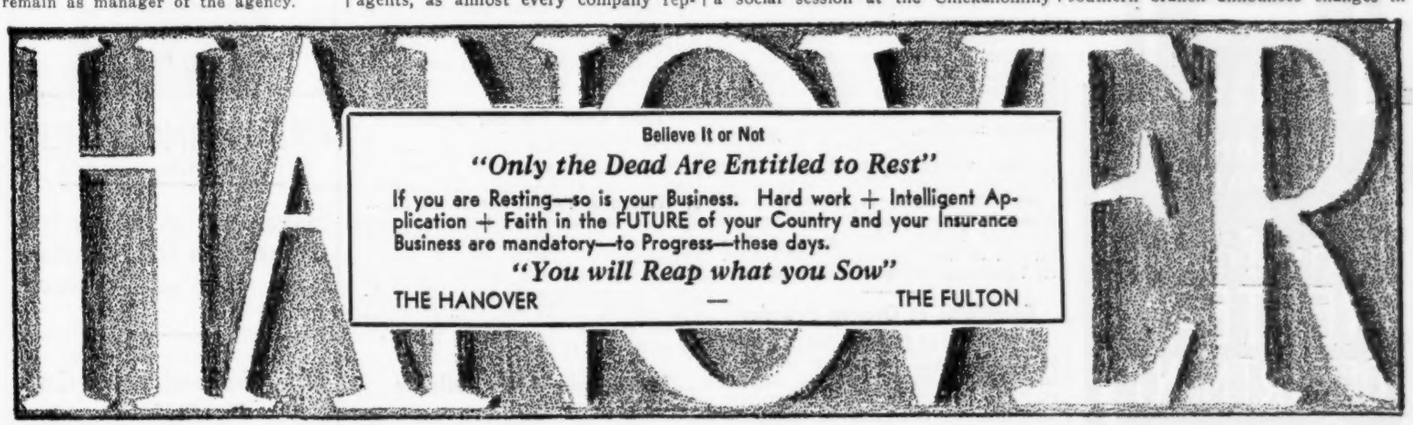
MOBILE, ALA., Sept. 30.—The Mobile school board has settled the Murphy high school insurance controversy and has distributed $1,790,000 of fire insurance to all city and county agencies. No insurance has been carried on the high school since last January and there has been considerable discussion regarding the failure of the board to insure the buildings and contents. The $1,790,000 policy covers all property of the board, policies of all with the exception of the high school expiring Oct. 1.

Many Vacant Houses Burn

CHATTANOOGA, TENN., Sept. 30.—E. R. Cotter, local manager of the Fire Companies Adjustment Bureau, in a talk before the Chattanooga Association of Credit Men said that Chattanooga's small fire loss record of past years is in danger because of the large number of fires in vacant houses. The past 60 days 95 unoccupied buildings have been destroyed.

Adjusting Changes in South

General Manager B. K. Clapp of the Fire Companies Adjustment Bureau southern branch announces changes in



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North Carolina following the death of D. H. Sadler, manager at Charlotte. G. D. Holding, adjuster at Greensboro, is made Charlotte manager. J. G. Bruce, adjuster at Asheville, is made adjuster in charge at Greensboro. J. R. Osborne, adjuster at Charlotte, is made adjuster in charge at Asheville. A suboffice has been opened in the Union Bank building, Douglas, Ga., in charge of J. E. McLean.

Warrant Out for Kimmich

LOUISVILLE, Sept. 30.—Police are looking for A. R. Kimmich, who disappeared Aug. 19, while manager of the Mutual Fire Insurance Agency, established here a few months ago. A warrant has been sworn out for Kimmich's arrest by A. G. Lyons, acting manager of the agency, who took charge after Mr. Kimmich's disappearance. The warrant charges conversion of company funds amounting to $3,926. It was said that Kimmich disappeared on the eve of an audit of the agency records and a preliminary examination showed a shortage of $2,000.

Restrict Florida Licenses

JACKSONVILLE, FLA., Sept. 30.—Clifford A. Payne of Jacksonville headed a committee of agents to confer with Commissioner Knott and Attorney-General Landis in interpreting some of the points of the new agency law. One very important ruling secured was that neither general agents nor company salaried men can be licensed as agents. Prior to this there was some question as to general agents. This was necessary that all companies might be put on equal basis in the signing of policies. It is hoped that the practice of company representatives signing automobile and fire policies can be stopped entirely.

Yazoo Delta Agents Meet

CLARKSDALE, MISS., Sept. 30.—The Yazoo Delta Local Agents' Association met in convention here with approximately 100 in attendance. H. W. Watson of Lexington, president of the association, presided. Fire Chief R. W. Maxwell of Clarksdale delivered an address on fire hazards. Senator John Culkins and R. L. McLaurin of Vicksburg, Commissioner-Designate G. D. Riley, Commissioner B. S. Lowry and F. S. Julian, former Alabama commissioner, also spoke.

Smilie Heads Alabama Club

C. P. Smilie of the Fire Association, Montgomery, was elected president of the Alabama Field Men's Association at the annual meeting last week in Montgomery. He succeeds R. C. Patterson of Columbus, Ga. S. W. Bigger of the Home, Montgomery, was elected vice-president and J. C. Tuttle, Bankers Fire & Marine, Birmingham, secretary-treasurer. Members of the executive committee are: W. G. Ward, chairman, Fireman's Fund; DeWitt Duskin, Columbus, Ga., American of Newark; R. C. Patterson, Commercial Union, Columbus, Ga.; J. Y. Brame, Hartford, Montgomery, and Walter Lemmond, Automobile of Hartford, Birmingham.

Mississippi Legislature Convenes

A special session of the Mississippi legislature convened Tuesday. The principal object of the session is to consider legislation on the cotton problem.

Kentucky Notes

Carl D. Herdman, 57, Bowling Green, Ky., insurance man of Herdman & Stout, fell dead of heart trouble last week.

W. H. Newman, 75, Louisville insurance man, died this week after an illness of three years.

J. H. McGee, retired insurance man of Cynthiana, Ky., died this week. He conducted an agency in Cynthiana for 40 years.

W. T. Lambert, 74, of Henderson, Ky., for nearly 50 years a member of the firm of Edward Atkinson & Co., died last week.

Ed H. and C. J. Pfeiffer of **Pfeiffer & Pfeiffer,** recently formed Louisville local agency, have been admitted to membership in the Louisville Board.

E. M. Hughes, member of the A. G. Sulser agency, Maysville, Ky., sustained a broken arm when his car was overturned near Mt. Vernon, Ky.

Under the auspices of the chamber of commerce, an intensive fire prevention educational program will be staged in **Irvine, Ky.,** during Fire Prevention Week.

ON THE PACIFIC COAST

Are Active in Los Angeles

Sessions and Adams of American Automobile Take Prominent Part in Entertaining Agents

Two western officials of the American Automobile who were formerly located in the middle west were prominent in the entertainment activities at the annual convention of the National Association of Insurance Agents at Los Angeles. Don R. Sessions, resident vice-president of the American Automobile at Los Angeles, was formerly Detroit manager, going to his present position a year ago. George E. Adams, resident vice-president at San Francisco, was formerly Milwaukee manager. They were assisted in entertaining by Richard Alter, prominent Los Angeles insurance broker. Among many who partook of their hospitality was George H. Lauerman, veteran Chicago broker.

Complains of Oregon Practice

J. K. Pratt of Eugene, Ore., reported at the National Association of Insurance Agents meeting at Los Angeles that the Oregon insurance department finds that an increasing percentage of insurance is being written by fly by night agents who are raiding the business of other agents. Their plan is to write the policy, collecting a part of the premium and then taking it up later on and writing it with another company, collecting a certain amount. In this way slow pay assureds are getting cheap insurance in good companies. Mr. Pratt said that the department is endeavoring to stamp out the practice.

Observe Silver Anniversary

SAN FRANCISCO, Sept. 30.—The 25th anniversary of the organization of the Insurance Brokers Exchange is to be fittingly celebrated Oct. 14. Committee members in charge of the affair are E. A. Schmitt, Milton Meyer, A. W. Virden and H. V. Stockton.

Take Over Pioneer Agency

LOS ANGELES, Sept. 30.—The partnership of Richards & Rhorer has been formed to take over the business of Watson & Taylor, one of the oldest agencies in Los Angeles, active for more than 30 years. Kenneth Watson and Churchill Taylor retired several months ago and the agency has been under the management of P. D. Richards and G. O. Rhorer, both of whom served Watson & Taylor as executives for more than 15 years.

Los Angeles Losses Higher

LOS ANGELES, Sept. 30.—Chief Scott of the Los Angeles fire department reports a marked increase in losses for the year ending June 30, as compared with the previous year. Total estimated property loss was $2,633,905, against $1,621,275. Gain in population and number of residences was given as the cause of the increase.

Blue Goose Hears Investment Man

SAN FRANCISCO, Sept. 30.—E. P. Muller of the investment firm of S. Milton Haley & Co. addressed the San Francisco Blue Goose at its regular weekly luncheon meeting Sept. 28 on "The Present Economic Situation."

Keith Rhodes in New Field

The Home of New York has appointed Keith Rhodes special agent in

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eastern Washington and northern Idaho with headquarters in the Mohawk building, Spokane. He succeeds A. U. Hoelting, who has been transferred to Seattle. Mr. Rhodes has been located at Portland.

Coast Notes

Hugh Ross, manager of the fire insurance department of the Allan McMaster Company, Los Angeles, is the proud father of a baby boy who arrived recently and has been christened Patrick Ross.

Prentice Hewett, general agent at Los Angeles of the Underwriters Casualty and the Commercial Standard of Dallas, has appointed Fred N. Yale, formerly claim manager at Portland for the Union Automobile, as claim manager for his office.

A. E. Harry, former manager of the Casualty Association of America in California, has opened an agency at 1520 South Flower street, Los Angeles, under the corporate name of the Royal Underwriters of California, and will write all lines of insurance.

IN THE MOUNTAIN FIELD

Hits Cut-Rate Competition

Colorado Springs Insurance Board Continues Its Fight Against Fictitious Auto Fleets

COLORADO SPRINGS, Sept. 30.—The Colorado Springs Insurance Board has issued a letter on insurance cost and the evils of cut-rate competition, which, it claims, has developed in that city.

"The dangers of assessment on mutual and reciprocal insurance to pay losses," the letter states, "are well known, but cut-rate competition of so-called standard companies, especially in writing fictitious fleets of automobiles, is more recent and not so well understood.

"Numerous states," the letter continues, "have stopped this practice on the ground that it is discrimination against the public as favoring special classes, and because if continued it may prove costly to the public. The seriousness of the situation at this time arises from excessive losses in recent months on liability and property damage claims, threatening the financial stability of companies writing this protection. One such company is reported to have had a loss ratio in Colorado of more than 90 percent. These losses are greatly in excess of the safety margin for underwriting, and threaten in time to wipe out the reserves of these companies.

Danger Because of Losses

"The Colorado Springs Insurance Board was organized to safeguard the public so far as possible against questionable companies. The danger at this time is particularly grave on liability and property damage insurance in view of the mounting loss ratio. It should be remembered that claims often drag in the courts for years and that a minor, if involved in an accident, may defer his claim for damage until he becomes of age and for six years thereafter. It is most important, therefore, that your insurance company will be in business for years to come to protect you and your estate in case action is brought later."

On former occasions members of the Colorado Springs Board have maintained the rate war here is not purely a casualty matter, insisting that fire companies which remain in an agency writing cut-rate automobile insurance contribute to the support of that agency, and are demanding separation. Thus far they have not won out in this demand.

Wyoming Agents Organize

H. F. Farnsworth of Riverton Heads the Latest State Unit of National Agency Association

President Percy H. Goodwin of the National Association of Insurance Agents at the Los Angeles convention announced that the newest state unit had been formed in Wyoming with the organization of the Wyoming Association of Insurance Agents, a number of men having met at Casper to discuss the subject. H. F. Farnsworth, Riverton, was elected president; D. L. La Breche, Casper, vice-president; Albert E. Tweed, Casper, secretary-treasurer. The officers and G. V. Kennedy, Basin; T. O. Cowgill, Cody; I. W. Dinsmore, Rawlins, and C. V. Davis, Sheridan, constitute the executive committee. Mr. Davis was made chairman of the executive committee, Mr. Dinsmore chairman of the legislative committee, Mr. Cowgill of the grievance committee, Mr. Kennedy of the organization committee and Mr. LaBreche, chairman of the by-laws committee.

Denver Agency Sold

DENVER, Sept. 30.—C. B. Bartholomew, who has represented the Pacific Mutual Life for 33 years, has acquired the Colorado Insurance Agency, which handles a general line of insurance, including fire, casualty and others. The agency was formerly owned by W. C. Skinner, who will become office manager for Mr. Bartholomew. Mr. Bartholomew will continue to represent the Pacific Mutual.

Automobile Losses Increase

DENVER, Sept. 30.—Fire losses on automobiles are increasing in the mountain field. A prominent field man spoke of a recent loss in which the automobile had been destroyed by fire. He said the owner was behind with his payments on the car, and he believes he set fire to it at the suggestion of the auto dealer to whom the payments were due. Embezzlement cases, that is, parties leaving the state with mortgaged cars without permission, are also giving considerable concern.

R. R. Lee, Brighton, Colo., is operating the old **Lee & Hass Agency** since the death of his partner, J. C. Hass, early in July.

EASTERN STATES ACTIVITIES

Potter Speaks at Birmingham

Rochester Agent Reviews Reciprocity Movement, Emphasizes Menace of State Fund Competition

At the first fall meeting of the Binghamton (N. Y.) Fire & Casualty Club President Hugh Duffey presided and there were about 70 in attendance.

At this meeting the members of the club signed a "round robin" letter to the Binghamton Light, Heat & Power Company protesting any move on the part of this public utility to place its automobile insurance and the policies of its employes through New York City connections. It was the sense of the meeting and the letter that the business should be placed with agents in Binghamton because they reside there and support the various activities of the city and purchase service and products of the local gas and electric company.

Mention was also made of the fact that no public utility can afford to over-

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CAPITAL	$1,000,000.00
PREMIUM RESERVE	1,276,758.29
OTHER LIABILITIES	235,530.00
NET SURPLUS	2,172,133.30
TOTAL ASSETS	4,684,421.59

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look the interest of the insurance men of its locality because the time is not far distant when such public utilities may need the earnest and hearty cooperation of the local insurance men to aid in their fight against municipal or government ownership.

Wellington Potter, Rochester, N. Y., local agent, who was one of the originators of the reciprocity movement, spoke and gave illustrations of the value of local board newspaper, circular and radio advertising. He also touched on the menace of state fund competition and said it is time that all business should heed the warning cry of the insurance men as to the growing tendency of governmental control. Mr. Potter urged every agent to bring to the attention of his prospective policyholders that every time private industry places an order for compensation with the New York state fund it thereby brings government control of its own business just that much nearer.

Philadelphia Premiums Off

Decrease of 16.2 Percent Is Seen in the Figures for the Six Months

The fire premiums in Philadelphia for the first six months, according to the fire patrol reports, were $40,652,660, a decrease of about 16.2 percent compared with the similar period of last year. The figures for the first six months the last three years are as follows as per company classification:

	1931 $	1930 $	1929 $
Pennsylvania.	1,609,984	1,870,404	2,068,075
Other State..	2,340,343	2,759,148	2,811,546
Foreign	455,275	632,958	738,302
Mutual	247,058	291,577	304,934
Total.....	4,652,660	5,554,087	5,922,857

The Pennsylvania stock company leaders are Franklin, $363,240; North America, $359,069; Fire Association, $153,320; Alliance, $139,642; Pennsylvania, $147,492. The Home led the outside companies with $157,414, followed by the National Liberty, $155,985; Globe & Rutgers, $83,944; City of New York, $56,765; Aetna, $54,944; Royal, $79,823; North British, $57,843; L. & L. & G., $40,430. The Home of New York group had $892,573; North America, $560,666; North British, $259,191; Fire Association, $194,841; America Fore, $184,861; Firemen's, $151,683; Royal, $141,977; Crum & Forster, $140,884; E. C. Jamison, $132,579; Great American, $92,789; Hartford, $74,572; L. & L. & G., $72,840. The rest of the groups were under $70,000.

H. B. Nelson May Retire as Head of New Jersey Agents

NEWARK, Sept. 30.—At the annual meeting of the New Jersey Underwriters Association Oct. 9 at Atlantic City a new president may be elected. H. B. Nelson, the present president, has expressed a desire to step down as the office has taken considerable of his time and the entire responsibility of his agency office has been thrown upon his shoulders through the illness of his partner, John Ward, who has been away from the office for nearly two years.

During Mr. Nelson's regime several new local boards have been formed in the state of New Jersey and the membership has increased materially, including the reinstatement of a number of former members, mainly through Mr. Nelson's efforts. It is hoped that Mr. Nelson can be induced to accept reelection, to continue the splendid work which he has done for the association.

School Board Can Place Insurance

TRENTON, Sept. 30.—Authority of the New Jersey state board of education to place insurance on its own buildings without interference from any outside department was upheld in an opinion by Attorney General J. W. Stevens. The advice of the attorney general was sought when E. H. Ellis, state insurance adjuster in the comptroller's department, sought to take over the work. Members of the state board believed they could more advantageously place their own insurance.

Wins Baseball Championship

NEWARK, Sept. 30.—The Public Indemnity Company has been declared the winner in the baseball season of the Newark Insurance & Banking Athletic League. The Public Indemnity was tied for first place with the Prudential and a three-game series was offered. The Public Indemnity won the first game and after the contest the Prudential players conceded that the Public Indemnity had the better team and decided not to play the other two games.

Falls Fire Prevention Speaker

NEWARK, Sept. 30.—Laurence E. Falls, vice-president American of Newark, will talk on "Fire Prevention" before the Newark Rotary Club Oct. 6.

MARINE INSURANCE NEWS

Turning to Inland Marine

Agents Generally Are Beginning to See Its Limitless Possibilities Under Central Control

NEW YORK, Sept. 30.—The continued entry of new fire companies into the inland marine field, so far from being objected to by offices previously in the line, is welcomed, experience having demonstrated that the greater the number of companies actively seeking inland marine risks, the larger the volume of the business. Formation of the Inland Marine Underwriters Association last January had a stabilizing influence on the line, and gave impetus to its development.

Companies that hesitated about embarking in inland marine because of lack of centralized control in that cover, created special departments for handling it as soon as the association was launched, and other offices have entered this field since that time. Agents who were unfamiliar with inland marine have actively interested themselves in it, impelled by the urgings of their companies and the attractive and informative advertising matter which companies have prepared.

Inland marine has opened to local agents avenues for offsetting premium income lost through shrinkage in the demand for straight fire and use and occupancy covers, and many agents have been prompted to sense its possibilities and to take advantage of them. The net result is that inland marine business is being written in ever increasing volume, and it is now believed is susceptible of almost limitless development.

Inland Association Growing

NEW YORK, Sept. 30.—Membership in the Inland Marine Underwriters Association now numbers 153 companies, being increased to that figure through the accession of the Norwich Union Fire, Union Marine & General and Virginia Fire & Marine. All of the member corporations are actively writing inland marine covers. Conditions in the various divisions of the business have been materially bettered since the I. M. U. A. began functioning some months ago.

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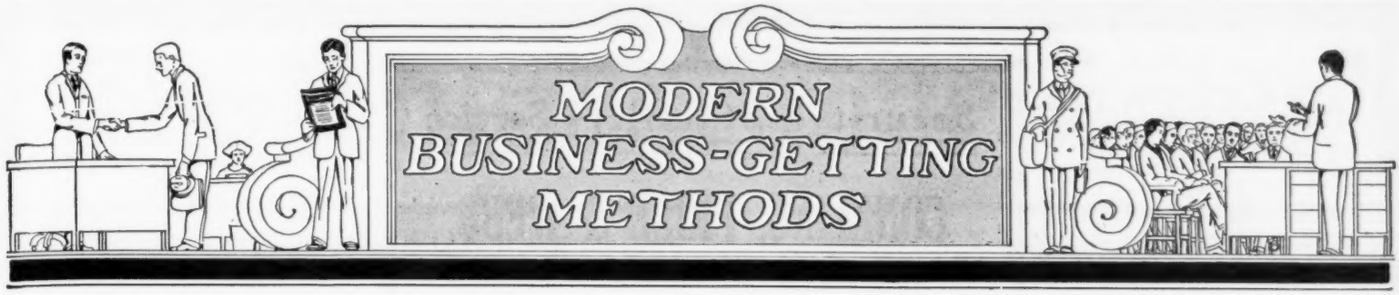
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Features Brought Out in Group of Local Agents from Smaller Cities at Los Angeles Rally

At the National Association of Insurance Agents convention at Los Angeles, J. A. Giberson of Alton, Ill., presided over the group of agents producing up to $100,000 a year. He stated that the most important duty of an agent these days is to conserve the business on his books. He finds that fully three-fourths of his time is spent in collections and looking after renewals.

Mr. Giberson declared that an agent should classify his business according to kinds of insurance written. This will enable him to study his own business and ascertain whether it is getting top heavy in any direction. At one time he said that he found that 53 percent of his business was workmen's compensation. This was largely composed of six risks. He lost all of them and therefore threw his agency out of balance. He declared that a business should be developed symmetrically and an agency should not depend on a few large lines. He said there is always danger of an agency running in one direction. He feels that in these days an agent should have a well defined idea of what he intends to do and map out a concrete program.

Separate Card Is Kept for Each Office Customer

E. J. Cole, Fall River, Mass., keeps a separate card for each customer. This shows the different kinds of insurance he carries and shows the potential coverages. It gives an agent an opportunity to give all round insurance service. Mr. Cole declared that an agent in developing new business should follow a well planned path aggressively.

One agent stated that he had been able to maintain his premium income by getting additional insurance from old customers, especially life insurance. He stated that he sounded out the people on his books and got good results, but he did not have much success with outsiders.

The subject of making a survey of the insurance needs of a customer and presenting a program was recommended. This enables an agent to see what a customer actually lacks. It was brought out that there is danger in an agent spending too much time in making surveys and too little in getting business.

Manner in Which the Survey Is Being Used

One agent stated that he endeavored to make very successful survey or two and then he would get a letter of commendation from a client, using that as a basis for attack in other directions. One agent said that he aimed to make one survey a week. This not only enables an office to give service but in the process the person himself making the survey learns much more about insurance. Some of the speakers stated that they invariably included life insurance, both personal protection and business insurance, in the survey. This gives a client an all round program.

The survey enables the agent to solicit his customer on unwritten lines. This opens the way for new business. Very frequently without any survey an agent can find out whether a man is lacking in certain lines and then soliciting for them.

One agent said that through membership in the Executives' Club of his city he was able to get information on persons moving to other locations or newcomers. He called on them, advising them to have their insurance transferred if it had not already been done and offering further insurance service. Very often a newcomer gets in contact with the insurance man in this way.

Gets Numbers on the Automobiles for Solicitation

One speaker from California stated that in a number of sections automobile clubs were using a weak reciprocal and furnishing insurance to members at a reduction. This agent takes the numbers of cars carrying the emblem of a club, then through the state department finds out the names and addresses. This furnishes a lead for solicitation and often results in the assured transferring to a more reliable company.

One agent said that he kept in touch with owners of lumber yards and contractors, ascertaining thereby who was going to build or make extensive repairs. The agent himself can give tips as to prospects to those who are reciprocating.

There was considerable discussion as to whether an agent should deliver renewal policies personally. Where an office has a large number of accounts this requires much time. One speaker stated that he delivered policies where he was doubtful whether they would stick. Another delivers policies where the assured may be poor pay. On the call the agent gets some promises from the policyholder as to when he will pay, the agent stating that he will call back at the time he suggests. This puts the policyholder on record and cuts down bad collections. One speaker stated that he found it desirable to make personal calls in delivering policies because he was able to talk with the assured about other lines of insurance and frequently was able to get new business.

Brokers Are Regarded as Unprofitable Adjuncts

There was considerable discussion as to whether it paid smaller agencies to have brokers or solicitors. The general consensus was that such business was unprofitable. The feeling existed that a person should secure all the business he could on which he got full commission. He should give full service to customers. Many stated that in time of loss the reputation of an agent depended on how he handled it. Mr. Giberson declared that in his opinion it paid an agent to pass all possible office details to the clerks so he could do more personal soliciting. He believes in securing competent help so that the office service will be kept up to a high pitch. He stated that if an office services an agent or broker no money can be made on it where the regular commissions are paid. The broker expects the agent to do the collecting and to attend to losses. Mr. Giberson said that such business had caused him no end of grief. The general opinion prevailed that it was a good policy to reduce the number of customers but get all of their insurance and diversify one's business as far as possible.

Value of Going Local Agency Is Figured

The basis for figuring the value of a local agency is one year's commissions. This is for a first class agency and the basis is subject to discount for inferior business, if any. For instance, rebated business is not worth even the net retained by the agent.

Naturally, in figuring the value, or the amount of commissions, the commissions paid to brokers must be deducted, but there are no deductions for expenses. Inasmuch as the buyer pays one year's net commissions he really pays considerable more than the net earnings of the agency.

Term Business

Term business is counted only for the year that is used in the calculation. It is assumed that the term business will run about level year after year, but if there is an excess of term business in the year used for the calculation allowance must be made for it. Similarly, if the year used for the calculation should be for any reason unusually low in term business something should be added to the value of the agency for the term business that does not appear in the calculation.

Factor of Old Friends

About a year ago an article was published pointing to a new angle in the valuation of an agency. A man in his seventies who has bought and sold several times in his home town stated that he would never again care to purchase an old agency. His reason was that the customers of a new agency would just as soon continue their patronage as not. An old agency has a large proportion of business from old friends. These old friends are besieged by other agents in the town for business, agents with whom they are just as friendly as with the agent who has the business. When a new man comes in these old friends are very apt to go to other old friends, instead of continuing with the new man.

Proper Use of Survey Told

J. W. Mason of the London Assurance has prepared an interesting pamphlet, "The Insurance Survey—A Selling Tool," which is being distributed to the company's field force.

"An insurance survey," according to Mr. Mason's definition, "is an analysis of a client's insurable hazards together with an analysis of his present coverage to bring to light first, any errors in his policies including duplication in coverage and second, any additional insurance he needs."

Should Use Discrimination

Mr. Mason warns against indiscriminate surveys. This work must be made to produce more premiums. He suggests it is not economical to make a survey unless there is perhaps $200 in potential premiums. The author declares that service, about which the agent talks so much, is "nothing more nor less than knowledge of insurance and company and agency practice." One real service is to sell by use of the survey.

Mr. Mason advises agents who have never used the survey to start with clients rather than prospects. When it comes to prospects, he says the best class for surveys is that whose insurance is split among a number of agents, including the agent making the survey. "Impress upon the prospect," Mr. Mason declared, "that your experience has taught you that where several agents write policies for one assured, over insurance or under insurance often exists. Try to keep away from the thought, until after the survey is made, that you are doing this in the hope that he will see the light and give you all his insurance. If you do a good job for him, show him how to save money in premiums or reduce still further the risks of his business, that will naturally follow."

Discover Misconceptions

The agent should find out what coverage the assured thinks he has as well as what he actually has, according to Mr. Mason. Some assureds, for instance, think that they are fully protected by plate glass insurance, when their windows but not their counters are covered. Accident policyholders may think that they have health insurance.

Mr. Mason advised agents to include life insurance in the survey. If the agent doesn't know enough about life insurance to act as counsel on the subject, he should learn. "The more ways you find to make yourself useful to your clients," he said, "the more clients you will have and the larger will be each account."

The survey reports should be written and delivered rather than verbally transmitted, he said.

The agent should be reasonable. He should not include every obtainable line of insurance. He should pick for definite recommendation only those lines for which there is plainly a crying need. "You will never make money trying to sell things to people who haven't the money to pay for them.

"The whole idea of survey selling is to impress your prospect by doing him a favor first and then by proving your superior knowledge, and then, and then only, trying to sell him something."

Miscellaneous Notes

The **Hilliard & Towles Insurance Agency** has been formed at Danville, Ky., by L. M. Hilliard and J. S. Towles. Mr. Hilliard has been in the insurance business at Danville for a number of years. Mr. Towles is former manager of the Danville "Daily Messenger."

The **Ralph J. Rush Agency** of Fort Wayne, Ind. has been incorporated by Ralph J. Rush, W. N. Ballou and Dorothy Ake.

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The National Underwriter

October 1, 1931 CASUALTY AND SURETY SECTION Page Thirty-three

Control Plan Is Debated Further

Manager Beha of National Casualty Bureau Confers in Chicago on Proposal

BAN COMMISSION BOOST

Committee of Managers Reports Adversely on General Agents' Plea for Increased Over-riding

Cross-currents developed this week in the Chicago movement for establishment of the Casualty Control with the rendering of a report of a managers' committee, the main points of which were that there could not possibly be any advance in top commissions, that any increase of over-riding commissions to general agents might "result adversely" to other classes of commission-earners, and that the managers' and agents' separate committees should be combined with the object of making the Control effective at once, the various problems involved to be ironed out through the permanent organization.

The governing board of the new Chicago Agents Association was to have met Tuesday noon, presumably to devote much of its first business session to this most important of problems, but the meeting was postponed. A meeting probably will be held late this week to determine on the policy to pursue.

Something of an Ultimatum

The managers' report was in some respects an ultimatum, in view of the fact that it was in answer to a proposal made recently by the agents' committee, the most important item of which was that general agents should be permitted 10 percent over-riding commission.

In view of the action of agents at the White Sulphur, W. Va., convention of casualty-surety agents and officials in urging abolition of the casualty acquisition cost conference, there now appears the strong possibility that the Chicago agents were in touch and sympathy with this move, and deferred action on the Control pending determination of the White Sulphur proposal. For this reason it appears unlikely that Chicago agents will commit themselves on the Control project for some time or that the plan will become immediately effective as the managers committee suggests.

Chicago Agent's Views

A prominent Chicago agent active in the new association this weeb was very firm in his contention that general agents must have an increased over-riding. It is his opinion that the Control plan is wrong in that it is an attempt to enforce acquisition cost rules which were laid down a decade ago and which, he said, could not be made to work satisfactorily. Whether this will prove to be the official opinion of the agents' association remains to be seen.

On the other hand, a prominent manager states that had the agents not been amenable to reason and to working out the problems amicably, plans for forming a branch managers' association had been considered. Just what effect this would have had on the business in Chicago was not disclosed, but it is presumed that the agents would have been in a poorer tactical position than under the present arrangement in which they are being given a voice.

Several of the agents cannot get over the belief that Chicago should be treated as an excepted city, as is done in fire insurance, on the theory that sales methods which have developed over many years there make special treatment necessary. Much of the business is done by brokers, and many of these control large volume of premiums and to this extent can command certain extra allowances, if not from companies which subscribed to and are observing the acquisition rules, then from others which do not. For their part, many general agents have been forced to give exceptional service facilities which add to overhead, and they have plants comparing favorably with many home offices.

Contention of Agents

It is pointed out that if a broker with large volume has a considerable percentage of this in workmen's compensation, as is the case quite often in Chicago because of its large industrial growth, the net average over-riding commission to the general agent on such business really is unprofitable. Some brokers quite frankly have been able to command a regional agent's commissions. Any other arrangement would mean loss of the broker's entire line.

A high-light of the week was the short visit and conference of J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters, with Chicago branch managers and general agents. Mr. Beha was on his way back to the east from the Los Angeles convention of the National Association of Insurance Agents. The purpose of the conference, it was said, was largely to consider the managers' report, and most

(CONTINUED ON PAGE 38)

Agents Attack Cost Plan

Urge Abolition of Conference Regulating Casualty and Substitution of a Formula Entitled "Sole Agency Ethics," at White Sulphur Meeting

WHITE SULPHUR SPRINGS, W. VA., Sept. 30.—After midnight sessions Monday of the executive committee and Tuesday of the general membership of the National Association of Casualty & Surety Agents, a statement favoring abolition of the present casualty acquisition cost rules and substitution of a formula called "sole agency ethics," was developed.

It was read to the joint conventions here Wednesday morning by W. G. Wilson, president of the agents' organization. The statement follows:

Statement of Agents

"Believing that production stability in the casualty and surety business may be established after eight years' experimentation with acquisition cost, and in the hope that such a plan possesses the primary basis which with elaboration may merit and receive majority support of all company and agency organizations as well as the sanction of the National Convention of Insurance Commissioners, I am authorized by unanimous vote of our executive committee to offer for early consideration and conference with the companies, the following, viz:

"The National Association of Casualty & Surety Agents—asserting that success in insurance and surety salesmanship requires enthusiasm; that enthusiasm cannot exist without loyalty; that loyalty is excluded when rival interests obtain, now asks a return to first principles in the adoption and acceptance of a new code of sole agency ethics—

"Whereunder no producing agent would be willing to, nor will he be permitted to represent competing companies for any form of casualty or surety business, and that no such company be permitted to have more than one representative agency in any city, town or village, unless by written mutual consent of said company and its primary agent. We recognize that the metropolitan district of New York may be excepted territory.

"We further reiterate the position taken by us in June, 1930, at the comcissioners' hearing in Chicago, viz:

"That a flat and general scale of producers' commission be fixed subject to a downward differential for non-company brokers.

Abolish "General Agent"

"Owing to the wide abuse in its use, until its significance has been clearly perverted and its original meaning practically vanished, we recommend that the title of 'general agent' be definitely abolished in the set up of such code.

"We further recommend that a new class of supervising agency representation be established, clearly defined and appropriately named, whose service is to be compensated for to such extent and in such manner as may be agreeable to the company and the supervisor concerned.

"We further contend that a binding agreement or if need be, approapriate legislation be sought which would bring to the casualty and surety business a maximum limit regulation tantamount to Section 97 of the New York code, which, however, relates only to life insurance, in order that no advantage in ultimate resource or cost be permitted to discriminate as between branch offices and the agency system."

Graver Tone Is Noted in Meeting

White Sulphur Gathering Not So Carefree as in Former Years

"SHOP TALK" CROPS UP

Critical Condition of Casualty Business Is Specter at Feast of Agents and Officials

By LEVERING CARTWRIGHT

WHITE SULPHUR, W. VA., Sept. 30.—On the surface as gay as ever, the great gathering here of casualty executives and general agents this year is pervaded with an undertone of gravity, if not anxiety.

This undertone is manifest in conversations about the lobby and in the rooms. In former years, it might be said that shop talk was largely taboo during conventions of the International Association of Casualty & Surety Underwriters and of the National Association of Casualty & Surety Agents. Good natured banter about the business was about all that was tolerated.

Grave Tone to Conversation

This year, however, conversation constantly reverts to the critical condition of the casualty business and long faces are not unstylish. This undertone was articulated in the brief opening remarks Tuesday of J. Arthur Nelson, president New Amsterdam Casualty, who wielded the gavel in the absence of R. Howard Bland, president United States Fidelity & Guaranty, and president International association. Mr. Nelson is vice-president of the International association. He said that in the past several months leaders have been "in the throes of great concern."

"For the first time in my 30 years' experience," he declared, "the business is concerned about its outcome and future. In the past, isolated individuals have been worried about their own companies; everyone is worried about his own company and its relation to the insurance business.

Perspective Is Needed

"It is good to get away from William street and Wall street, from Baltimore and Hartford," he added, "and look back on what's behind and get a better look at what's ahead. Stamina is called for these days. There is more cooperation in the business than ever before and I am confident that we will come through this grave crisis with flying colors."

Attendance is below normal this year, but according to F. Robertson Jones, secretary International association, not as far below as was feared. By noon Tuesday 110 company representatives

(CONTINUED ON PAGE 38)

Regret Commissioners Not Acting on London Lloyds

COMPETITION HELD UNFAIR

Fidelity and Surety Sub-committee Fails to Report Result of New York Meetings

NEW YORK, Sept. 30.—General regret is voiced by surety company officials over the failure of the National Convention of Insurance Commissioners to take action at Portland against the activities of London Lloyds in this country and the failure of the subcommittee on fidelity and suretyship even to refer to the matter in its report. While the Lloyds competition is by no means the most perplexing problem with which company officials are confronted today, it is nevertheless a matter of considerable importance and was so made clear to the special committee of the commissioners at the hearings in this city some six weeks ago.

Avoid Law Compliance

London Lloyds, avoiding compliance with the insurance state laws, paying no taxes or otherwise contributing to the welfare of the country, are mere bootleggers in the insurance field and as such home institutions feel they have a right to demand of governing officials protection from their operations. That the activities of the concerns can be effectively checkmated here was demonstrated by Commissioner Livingston of Michigan two years ago and in the minds of surety men like procedure could and should be taken in every other state in justice to domestic corporations and their agents.

Plan Not Practical

The proposition advanced sometime ago that the American companies could be rid of the competition of the London Lloyds if they guaranteed to cede them a certain amount of reinsurance premiums each year upon bank business is held impracticable. While the scheme possibly might appeal to certain individual underwriting groups, the moment these withdraw from the United States, other combinations would enter the arena and the home offices would be subjected to renewal of the same old conditions. Broadly speaking there is one and only one way by which London Lloyds can be restricted and that is by compelling them to organize under state laws and subject themselves to domestic company regulations.

A suggestion to that end was submitted to an accredited representative of certain prominent Lloyds groups at a conference with the New York insurance commissioner a few years ago. While the Britisher promised to take the matter under advisement, nothing came of it, the individual underwriters evidently much preferring to free lance than to engage in competition upon even terms.

Deserve Official Support

American underwriters have no disposition to ask the state commissioners to pull chestnuts out of the fire for them, being willing and able to handle the affairs of their respective companies without official interference. They feel, however, that contributing heavily as they do to the support of insurance departments and other divisions of state governments through the medium of taxation, they are entitled to and should have protection from freebooters in their quest for business.

The position of the surety men in this respect is also taken by the fire and marine company executives as well. The plea of Lloyds that by virtue of their long experience in maritime affairs, they are more competent marine underwriters than are the men of this country is declared by the latter to be pure poppycock. All the Americans ask is that conditions for business-getting be placed upon an equal basis in which case they would feel quite confident of their ability to more than hold their own.

Need for Safety Box Insurance Is Seen

By tunneling through the concrete floor of the Wicker Park Safety Deposit Co., Chicago, some days ago, crooks were able to pry open the safe deposit boxes and get way with contents estimated as worth $100,000. A similar effort was made there six years ago, when the vault of one of the large banks was entered and the robbery was frustrated only through the unexpected appearance of one of the bank officials early Sunday morning. Upon opening the vault door he discovered an opening in the floor, while scattered about were tools which the robbers intended using that night in looting the safe deposit boxes. As the latter are made of three-eighths inch steel, little difficulty is experienced by expert cracksmen in prying them open once access to the vault room is gained.

File Claim for $2,000,000 in Great Chicago Bank Loss

Claim for $2,000,000 has been filed against London Lloyds, the World Auxiliary Insurance Corporation and the Threadneedle Insurance Company of England by the Continental Illinois Bank & Trust Company, arising from defalcations by W. F. Wolf, former manager coupon department. The total embezzlement has been set at $3,666,929, a world record where only a single bank employe is concerned. Lloyds and its underwriters it is claimed are liable for $1,880,440 of the $2,000,000 banker's blanket bond carried by the bank, the World Auxiliary and its underwriters for $40,175 and the Threadneedle company for $79,385. A statement accompanying the claim showed net amount of loss now $3,393,154, the difference being represented by securities which have been recovered. According to Vice-President A. J. Stillwell of the bank, if even one other employe had been associated with Wolf in the embezzlement, the bank would have suffered no financial loss, as he said the contract is sufficiently broad to cover in such a case. Wolf insisted he was alone in his embezzlement and although he was kept incommunicado in a Chicago hotel for many weeks while he was questioned exhaustively by a number of agencies, he did not waver in this respect nor could the bank or others find any indication that he had been aided by others inside the bank.

It is felt certain that so large a loss will have an appreciable effect on rates for bankers' blanket.

Los Angeles Managers Meet

LOS ANGELES, Sept. 30.—The regular luncheon-meeting of the Accident & Health Managers' Club of Los Angeles was well attended. President Milton P. Hawkins presided. Stephen Chelbay of the Commercial Casualty, San Francisco club, who was a guest at the meeting, briefly discussed the work of that club. President Hawkins appointed a publicity committee consisting of Wm. E. Lebby, Behrend-Levy-Rosen Agency, chairman; E. W. McGary, Commercial Casualty, and Mike O'Sullivan, Sunset Mutual.

Putnam McDowell of the Metropolitan Casualty, formerly vice-president of the Eastern Casualty, was a guest at the meeting.

Permanent Receiver Will Be Named for Federal Surety

CONDITION SEEMS HOPELESS

Assets Have So Depreciated That Its Capital Has Now Become Impaired

The Federal Surety of Davenport has been unable to refinance itself and hence at a hearing before District Judge Maines last week it was announced that a permanent receiver will be appointed to liquidate the company. The attorney general's office started proceedings about three weeks ago and since that time officials have held a number of conferences in Davenport and Chicago hoping that some plan might be evolved to lift the company out of the morass.

Company in Hopeless State

The department finally gave its opinion that nothing could be accomplished. It declares that the assets have been greatly reduced and the liabilities of such a character that the capital has become impaired. Over $2,300,000 of its assets consist of real estate and mortgages. Of the securities owned there was over $750,000 stock in the holding company of the Lloyds Casualty group and other companies in that fleet.

When Ray Yenter retired as insurance commissioner of Iowa, he undertook the very serious task of trying to rehabilitate the company and take care of the real estate and mortgages which were in default. In the Federal Surety were the remains of the Liberty of Dayton, Underwriters Automobile of Dallas and the Old Trails of Memphis, which had moved to that city from Indianapolis. The National Automobile & Casualty of Memphis prior to that time had merged its interests with the Old Trails. Altogether the Federal Surety found itself in a very sorry plight.

Insurance Commissioner Clark was made permanent receiver, as decreed by Iowa statute, and Julius Kurz of Davenport was named as examiner in charge.

Right on the heels of this action by Iowa authorities, R. W. Smith of Indianapolis, its manager there, was appointed Indiana receiver, as the Federal Surety some months ago absorbed the Old Trails of Indianapolis. Similar action was taken in Texas because of the merger of the Underwriters Automobile merger.

FINANCIAL JUGGLING SEEN

INDIANAPOLIS, Sept. 30.—Financial juggling that brought about the downfall of the Old Trails Auto was aired in the circuit court here at a receivership hearing Sept. 29. Ralph W. Smith, Indianapolis branch manager of the Federal Surety, and former official of the Old Trails, was appointed Indiana receiver of the Federal, which sometime ago absorbed the Indiana company.

Mr. Smith revealed that not only will 20,000 policyholders in the Old Trails lose their protection, but those who have filed about $110,000 in claims can not hope to collect, as assets of the company are only $10,000.

When the Federal took over the Old Trails, it removed all tangible assets from Indiana. It also succeeded in obtaining release of a $100,000 surety bond posted with the Indiana department on the contention that an outside company was not required to post such a bond to operate in the state, the evidence revealed. The attorney for the Indiana receiver attempted to show that the Federal was practically insolvent when it absorbed the Old Trails.

Surety Association Date Set

Oct. 14 is the date fixed for the annual meeting of the Surety Association of America, the headquarters of which are in New York City.

Governor Asks Changes in Massachusetts Auto Law

DEMERIT RATING SOUGHT

Would Allow Use of Deductible Policy, Eliminate Guest Cases and Require Speedy Filing of Claims

BOSTON, Sept. 30.—Governor Ely appeared Monday noon before a special session of the Massachusetts legislature, called to amend the compulsory automobile liability insurance law, because, as he said, the rates recently promulgated by the commissioner of insurance for 1932 "appear to me to create a burden disproportionate to the risk of insuring 92 percent of the motor vehicle operators; because the law as at present constituted does not premit the commissioner to modify the contract or the rates; and because the welfare of the public is so vitally affected thereby." He asked for legislation which would "make it permissible to modify the contract of insurance, as well as impose a greater proportion of the cost of such insurance upon those who are guilty of improper operation."

The governor made five specific recommendations for legislation, which, he said, would, if supported by public opinion, greatly improve the law, reduce the burden of rates and operate to minimize accidents, and would allow the commissioner to continue without increase for the coming year the rates in effect Jan. 1, 1931. The recommendations were:

(1) The adoption of a law which will permit a system of demerit rating.

(2) The adoption of a law which will permit the commissioner to authorize a deductible policy, so-called.

(3) A law which eliminates from operation under the standard compulsory policy recovery by a guest. In other words, the elimination of the guest cases, so-called, from the operation of this particular law.

(4) A requirement that the claimant give notice of the time and place of injury and the nature of the injury sustained within a limited number of days from the date of accident. This provision should be so worded as to permit the court to waive the provision where the facts presented seem to warrant the exercise of such a judicial discretion.

(5) The law requiring the insured to give notice to the company, in the event of an accident, should be strengthened.

The governor intimated that he might, from time to time during the present special session, find it necessary to send in by special message further matters pertaining to this situation.

Provident Life & Accident Opens San Francisco Office

SAN FRANCISCO, Sept. 30.—The Provident Life & Accident has established an office in San Francisco for accident and health business in charge of Fred Sperry, former manager of the accident and health department on the Pacific coast for the Southern Surety. Mr. Sperry will handle the coast business for the Provident, according to Vice-president W. C. Cartinhour who has been in California two weeks completing the details incident to taking over the business of the Southern Surety. In Los Angeles the company has retained Fred H. Dibble to run the department. Its offices have been enlarged to bring the life and accident departments together.

Write Big Receivership Bond

LOS ANGELES, Sept. 30.—Receivership bonds for $400,000 were written by the Los Angeles office of the Century Indemnity for the United States National Bank of Los Angeles, which was closed recently to avoid a possible loss to depositors.

Desire to Extend Scope of Boards

Discussion at Los Angeles Convention Looking to Casualty Affiliation

RECOMMENDATION MADE

Agents From the Larger Cities Had Conference on Enlarging Power of Local Associations

The troublesome question of casualty affiliation in local boards formed the theme at a luncheon meeting under Allan I. Wolff of Chicago at the Los Angeles convention of the National Association of Insurance Agents. The group of agents under Mr. Wolff were from the larger cities and their chief problem was to devise ways and means for encouraging casualty offices to affiliate. It was recommended that the matter be referred to the main organization's executive committee for action under proposals set forth by the group.

Should Extend the Scope

Many speakers voiced the belief that local boards no longer should be regarded as efficient in functioning only for one branch and that the casualty and surety lines, now in the ascendancy in premium income, should be also governed in the same way. There was a difference of views as to whether it were wisest to have the same officers in the same board represent all lines, the practices where such mingling is achieved varying somewhat. The consensus, however, inclined to the belief that inasmuch as all fire offices handle casualty and surety, it would be better to admit casualty representatives under the same rules, to be regulated by the same organization, perhaps through divisional board officers.

Expression of Opinion

Eugene Battles of Los Angeles stated that for the first time in the record of his own agency the casualty-surety income was exceeding the strictly fire-marine lines income. He urged that unless something is done to control the demoralizing casualty-surety trend of the times the local fire boards will all be pulled down.

Ernest Palmer, manager of the Chicago Board, explained the operations of that organization, stating that plans had long been considered to include casualty and surety under the same machinery. It could be done nicely at Chicago where agents and managers hold identical membership.

The matter of casualty branch offices and their place in membership was fully discussed. It was about unanimously agreed that something would have to be done to control the branch office spread and the belief was expressed that these branch offices should certainly be permitted to come into the organization.

J. Henry Johnson of Kansas City, Mo., explained the operation there of the separate casualty board, which has 70 percent of its membership made up of those who also are in the fire branch, with the same secretary for the two organizations.

Chairman Wolff was authorized by his group to recommend to the National association executive committee that plans be undertaken to bring casualty and surety representatives, including their branch offices and brokers, into local board membership along with the fire agents.

Foster Urges Uniformity in Responsibility Acts

Automobile financial responsibility legislation has made a notable contribution in solving grave economic and humanitarian problems arising from automobile accidents, R. Leighton Foster, insurance superintendent for Ontario, Can., told the joint casualty-surety convention at White Sulphur. However, he said, uniformity in provisions and cooperation between the United States and Canada are necessary to make this legislation effective.

He said in the past there has been some difference of opinion as to how far company executives and agents should go in supporting this legislation lest their motives be misunderstood, and he agrees that organized motorists of the two countries should be permitted to continue to take the initiative in this matter. Nevertheless, he says, it would be a fine idea for the two casualty-surety associations to consider seriously taking on the job of "selling" America on this type of legislation.

Ontario Law Successful

He declares the auto safety responsibility law in Ontario is a success, according to the commissioner of motor vehicles there. The law is working smoothly and there have been no serious administrative difficulties. Future refinements in provisions "may be expected to make it one of the most effective instruments yet conceived to promote safety on the highways and assure compensation to victims of accidents," he says.

Much effectiveness is lost if the provisions for interchange of suspension rules between states and provinces are omitted or are improperly or inadequately administered, he says. This is a little understood feature of this type of legislation. Any such law which fails to solve the problem of non-resident or foreign cars is weak.

He pointed out that literally tens of thousands of United States cars may be found on the Canadian highways, and the reverse is true in the United States. Last year he said 5,409,458 United States automobiles were imported into Canada and 746,294 Canadian automobiles imported into the United States under tourists' permits. Thus the equivalent of one out of every five United States cars crosses the border into Canada and three out of every five Canadian cars in the year.

Explains Suspension Rule

The suspension rule works thus: If an Ontario motorist is convicted in New York State of a major offense against highway safety he loses the privilege of operating any vehicle in New York State and the New York commissioner of motor vehicles is required to transmit a record of the conviction to the Ontario commissioner. Thereupon the man's operator's license and any registration certificates for cars owned by him in Ontario are suspended. He can regain his privilege of driving or being driven in his own automobile in New York State and the province of Ontario only by giving satisfactory proof of financial responsibility.

The danger of not having a proper suspension clause is that this same Ontario motorist used for the purpose of the illustration may not mind losing the right to drive in New York State as he is only passing through there. If there were no provision for his suspension in Ontario, there would not be a complete check on his operations. Superintendent Foster points out that in every particular there should be complete cooperation between the United States and Canada in the matter of safety responsibility laws.

An important item which he said might well be corrected is recognition only of authorized insurers under the A. A. A. model bill. He said application of this provision to non-residents created a vexatious problem which he discussed before the 1930 National Convention of Insurance Commissioners in Hartford. The original provision has been modified, providing that where a non-resident is required to prove his financial responsibility and wishes to do so with insurance, he may file a certificate either of an insurer duly authorized by the state or an insurer authorized to do business in the state or province in which the auto is registered, or where the non-resident resides, provided that such an insurer has executed a power of attorney authorizing the motor vehicle commissioner to accept service notice or process in any action arising out of an auto accident in the state, and has adopted a resolution providing that its policy shall be deemed to be varied to comply with the law of the state relating to the terms of the motor vehicle liability policies issued therein, and has agreed to accept as final and binding any final judgment duly rendered in any action arising out of an auto accident in any court of competent jurisdiction in the state.

Flexible Provision

In other words, this provides that if an Ontario motorist is required to prove financial responsibility in New Jersey, he may do so with an insurance certificate issued by a carrier authorized in New Jersey or a certificate issued by one authorized in Ontario, which has filed with the New Jersey commissioner a power of attorney, resolution and agreement as described.

This provision gives considerable power over carriers which might be disposed to repudiate some obligations, as if they do so they know their certificates no longer will be acceptable in New Jersey and probably in no other state or province where their default is known, Superintendent Foster said.

He said the provision in the New Jersey law and the A. A. A. bill for insurance to be accepted only on a reciprocal or mutual basis, so that New Jersey would recognize certificates of New York insurers only if New York recognizes certificates of New Jersey carriers, must be eliminated if the purpose of persuading all unauthorized insurers irrespective of their domicile to qualify thereunder is to be accomplished.

Uniformity Is Essential

Such laws must receive substantially uniform and continent-wide enactment in order to achieve maximum possibilities, he said. The four Canadian provinces which have had such laws have followed closely provisions of the A. A. A. bill, but, he said, at least half of

(CONTINUED ON PAGE 41)

Home Office's Judgment Better Than Local Men's

NEW YORK, Sept. 30.—Depository bond writing companies have found that in many cases local agents have been strongly against a company's decision to decline coverage on banks which afterward closed their doors. Theoretically the local agent should be in better position to know the bank situation in his towns than the home office, but it usually happens that the home office official will get a better view of the bank's standing from a critical view of its statement. The character of the assets is considered very carefully by underwriters and the predominance of frozen assets causes many rejections.

Figures for 1930 Are Made Public

National Casualty Bureau Reports Results in 18 Classifications for Year

EXPERIENCE FOR NATION

Net Premiums, Total Loss and Expense, and Net Gain or Loss Presented in Analysis

NEW YORK, Sept. 30.—The National Bureau of Casualty & Surety Underwriters has compiled its annual casualty experience exhibit for the year ended Dec. 31, 1930. Detailed analysis and ratios are given under a number of headings for the various classifications.

The 18 classifications are as follows: Total, accident, health, auto liability, liability other than auto, workmen's compensation, fidelity, surety, plate glass, burglary-theft, steam boiler, engine-machinery, auto property damage, auto collision, P. D. & collision other than auto, credit, sprinkler, miscellaneous.

Net Premiums Are Given

Net premiums earned under these respective headings are: $642,600,000, $38,500,000, $18,400,000, $166,000,000 $55,000,000, $143,200,000, $41,900,000, $51,200,000, $11,200000, $32,000,000, $7,000,000, $4,000,000, $55,600,000, $9,700,000, $2,800,000, $2,700,000, $1,100,000, $2,200,000.

Total losses and claim expense incurred, respectively: $422,900,000, $20,900,000, $11,800,000, $120,300,000, $28,100,000; $113,700,000, $26,100,000, $37,800,000, $5,000,000, $13,900,000, $1,200,000, $880,000, $31,400,000, $6,100,000, $1,300,000, $2,200,000, $430,000, $1,700,000.

Total production expenses incurred, respectively: $168,000,000, $13,800,000, $4,800,000, $41,500,000, $14,400,000, $26,200,000, $12,400,000, $17,000,000, $4,300,000, $10,400,000, $2,100,000, $1,000,000, $15,000,000, $2,700,000 $666,000, $886,000, $351,000, $414,000.

Total losses and expenses incurred: $694,200,000, $40,000,000, $18,700.000. $180,000,000, $52,900,000, $161,500,000, $45,900,000, $63,200,000, $11,000,000, $29,100,000, $7,000,000, $3,200,000, $52,700,000, $9,800,000, $2,300,000, $3,500,000, $981,000, $2,400,000.

Net gain or loss: $41,500,000 loss, $1,400,000 loss, $375,000 loss, $13,900,000 loss, $2,300,000 gain, $18,300,000 loss, $3,950,000 loss, $12,000,000 loss, $142,000 gain, $2,900,000 gain, $5,084 loss, $768,000 gain, $2,900,00 gain, $183,000 loss, $426,000 gain, $786,000 loss, $130,000 gain, $174 loss. These figures represent the countrywide experience of stock companies entered in New York.

Casualty Club to Meet

An illustrated talk on "The Cost to the American Public to Operate Automobiles," by John F. Wohlgemuth of THE NATIONAL UNDERWRITER, will feature the first fall luncheon meeting of the Casualty Field Club of Chicago in the Great Northern hotel, Oct. 5.

No Funds to Enforce Law

INDIANAPOLIS, Sept. 30.—Indiana's financial responsibility law, effective Oct. 1, 1931, will have to be enforced without funds, according to a ruling by Attorney General Ogden. No appropriation was made for expenses involved in the enforcement of this law, according to Mr. Ogden, nor can motor vehicle fees be used for the purpose.

A DECLARATION OF "INDEPENDENCE"

The three basic principles on which the permanent existence of an Insurance Company is justified are:

First—The unquestioned financial protection of its policyholders and equitable treatment of its claimants.

Second—Wholehearted co-operation with its agents and brokers who produce the business.

Third—A management of the affairs of the Company that will assure a fair return on the capital invested by stockholders which capital made the Company possible.

The management of the new and greater "Independence" has accepted these principles in total—

In addition we pledge to our competitors and to the entire Insurance Fraternity co-operation in the stabilization of the business of Insurance through continued adherence to the highest standards of business conduct.

To the Bureaus and Associations that are constituted to study the problems of Casualty and Surety business and to better relations with supervising officials and the public, we pledge our moral—and if in our opinion the cause justifies it—our financial support—however "Independence" will be more than a name in the conduct of our business. It will be a Policy.

CARL M. HANSEN

Independence Indemnity Company,
Independence Square, Philadelphia, Pa.
September 22, 1931

INDEPENDENCE INDEMNITY COMPANY

J. HORACE SHALE, PRESIDENT

FINANCIAL STATEMENT

June 30, 1931

ASSETS

REAL ESTATE	$ 382,000.00
INVESTMENTS (MARKET VALUE)	7,968,273.94
CASH IN OFFICE AND IN BANKS	570,670.39
PREMIUMS IN COURSE OF COLLECTION LESS THAN 90 DAYS	3,236,149.67
REINSURANCE RECEIVABLE ON PAID LOSSES	407,776.78
CASH SURRENDER VALUE ON LIFE INSURANCE POLICIES	167,928.29
SECURED SALVAGE ASSETS	997,726.36
ACCRUED INTEREST AND OTHER ADMITTED ASSETS	119,062.00
	$13,849,587.43

LIABILITIES

RESERVE FOR LOSSES AND ADJUSTMENT EXPENSE		$ 5,950,005.28
RESERVE FOR UNEARNED PREMIUMS		1,698,561.75
RESERVE FOR REINSURANCE		2,096,704.70
RESERVE FOR COMMISSIONS		736,315.70
RESERVE FOR BILLS AND TAXES		118,000.00
TOTAL		$10,599,587.43
CAPITAL	$1,000,000.00	
SURPLUS	2,250,000.00	
SURPLUS TO POLICYHOLDERS		3,250,000.00
		$13,849,587.43

INDEPENDENCE SQUARE PHILADELPHIA

SERVICE UNEQUALED

ALL OVER THE WORLD

WAGNER & GLIDDEN
ADJUSTERS
TOPLIS & HARDING

An organization of specialists in the handling of all claims, including—

AUTOMOBILE — AVIATION — USE & OCCUPANCY—FIRE—TORNADO—RENTAL — SPRINKLER LEAKAGE—FURS—JEWELRY—ALL RISK BURGLARY — LIVE STOCK — BLANKET BONDS —RADIUM—FINE ARTS.

CHICAGO — NEW YORK — PHILADELPHIA
LOS ANGELES—SAN FRANCISCO
MONTREAL—LONDON—MANCHESTER
STRASBOURG—ANTWERP—GENOA
ALEXANDRIA—CAIRO—SHANGHAI
PARIS—MARSEILLES—NICE

Represented in every principal city in the world

Graver Tone Is Noted in Meeting

(CONTINUED FROM PAGE 33)

had registered as compared with 175 last year and 47 agents were on hand.

The weather is magnificent for golf. Horseback riding, walking, motoring and the transformation and great enlargement of the Greenbrier is a delight to the conventioneers and their ladies, who feel that they have almost a proprietory interest and are busy inspecting all features of the change.

Although attendance is smaller, there were fully as many in the convention hall as in past years to hear the splendid speaking talent.

Braniff First Choice

At a session of the executive committee of the agents group Monday evening, W. G. Wilson advised that he was not to be considered for re-election as president, having served three terms. T. E. Braniff, Oklahoma City, who is chairman of the executive committee, will probably go up and Mr. Wilson probably will become executive chairman. Elections are Thursday.

R. Howard Bland probably will be re-elected president of the company group. Regret is general that he is not able to be present this year because of the necessity of a tonsil operation.

Commissioner Van Schaick of New York was the first speaker Tuesday. He pointed out that insurance departments and insurance companies are devoted to identical objectives, advancing the public interest and advancing the welfare of the insurance business. Accordingly there should be no friction between companies and commissioners, he declared.

Regrets Antagonism

Antagonism, however, Mr. Van Schaick said, develops occasionally on the part of those insurance people who feel that any sort of regulation is unwarranted interference with private business. Although that sentiment is not general, he expressed regret that it exists at all. He sought to disabuse the audience of the notion that commissioners have a belligerent attitude and are eager to control the business by aggressive measures.

Mr. Van Schaick urged insurance men to advise, consult with, criticize and report to the department frankly. For instance, he said, some insurance people prod him to enforce the law vigorously, without being willing to inform the department of violations. Because of the inadequacy of his staff as to manpower, Mr. Van Schaick declared, the law can not be enforced unless violations are reported.

Welcomes Criticism

If certain laws are misdirected, improperly conceived, he said he would welcome frank criticism from insurance men. Likewise, if decisions of the superintendent are regarded as unjust, he would welcome being so advised. Often, he pointed out, state officials are not able to see the practical applications of their decisions.

Reluctance of insurance people to get on a frank cooperating basis, he declared, probably arises out of the traditional resentment against government supervision as a "chafing curb." That feeling, he said, is being rapidly eradicated, and if the frank basis is arrived at and team work instituted, the business, he asserted will go "faster and farther."

"In all the depression and gloom," he concluded, "the stability of insurance stands out in welcome relief. This is due in no small part to the leadership which has come out in governmental regulation."

Mr. Nelson next presented Col. Howard P. Dunham, Connecticut commissioner, who with Mrs. Dunham came to White Sulphur after attending the annual meetings of the National Convention of Insurance Commissioners in Portland and the National Association of Insurance Agents in Los Angeles. Several others are here from the coast conventions, including James A. Beha, general manager National Bureau of Casualty & Surety Underwriters; C. W. Hobbs, special representative of the Commissioners Convention on the National Council on Compensation Insurance; H. H. Fuller, assistant manager Zurich; F. Robertson Jones.

Col. Dunham spoke briefly, saying that the commissioners are getting together as never before and making the statement that only in serious times can cooperation be brought about.

Others on Program

There followed stimulating addresses by Martin J. Insull, president Middle West Utilities, and U. S. Senator Felix Hebert of Rhode Island, whose observations are reported in other columns.

At the Wednesday morning session, W. G. Wilson, president of the agents' organization, was in the chair. The speakers were R. Leighton Foster, Ontario superintendent; Dr. A. D. Albert, Chicago world's fair dignitary, and Hamilton Fish, Jr., New York congressman.

In his report as secretary, Mr. Jones reported 58 company members, one bureau, five individual and two honorary. He reviewed in some detail legislative results of the year, involving taxation, compensation and financial responsibility laws particularly.

Jones Gives Review

Three out of 23 bills to increase premium taxes were enacted. In Arkansas the tax on accident and health premiums was advanced from 2 to 2½ percent. South Carolina assessed an extra premium tax of 1 percent; North Carolina increased the levy on compensation premiums from 2½ to 4 percent.

Idaho, Oklahoma, and South Carolina for the first time levied an income tax. Although nine bills to create monopolistic or competitive state funds were introduced, none were adopted. Mr. Jones reviewed at length financial responsibility legislation, pointing out that no laws comparable to the Massachusetts statute have been adopted. New guest laws were enacted in Colorado, Idaho, Illinois, Kansas, Montana, Nebraska, North Dakota, Texas and Wyoming.

Chicago Control Project for Casualty Is Debated

(CONTINUED FROM PAGE 33)

of the time was devoted to discussion of the final item urging immediate formation of the Control and smoothing out difficulties afterward.

W. Herbert Stewart, of Stewart, Keator, Kessberger & Lederer, president Casualty Club of Chicago, was the only general agent present, the others being out of town, and he would not speak for his conferes at the meeting. However, it is plain that the general agents are dubious about placing themselves in a position of accepting a plan, the details of which are to be worked out after the Control becomes effective.

Mr. Beha, however, expressed himself pleased with the outcome and said that progress had been made. It was Mr. Beha's idea, as it was that of the branch managers' committee, that it is hopeless to attempt inauguration of the Control plan on a satisfactory basis with two committees working separately. It is probable, if the general agents are willing, that a joint committee will be named.

The managers' committee which drafted the report is headed by H. B. Bale, branch manager Standard Accident, and includes W. O. Schilling, United States Fidelity & Guaranty; L. J. Kempf, Travelers; H. E. Hill, Great American Indemnity and W. W. Steiner, Globe Indemnity.

SURETY BONDS

"Bank Crash Causes City to Borrow Money"---

(Headline from Boston Newspaper)

Consider this situation—an entire city embarrassed because of the guile of one clerk. When auditors discovered defalcations amounting to $285,000 they placed the blame on an employee who heretofore had always proved himself highly exemplary.

As a result the bank closed its doors and the city was forced to adopt emergency measures to make up a sufficient payroll for its teachers and other municipal employees.

The clerk was bonded—for $50,000—and the surety company paid off immediately, but it took the bank's entire surplus to make up the deficit that should have been covered by adequate insurance.

Here is hay for the wide-awake agent to cut. Fidelity bonding is a standard business practice and prospects are EVERYWHERE.

OPERATING IN

Arkansas, California, Colorado, District of Columbia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin, Wyoming

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DETROIT FIDELITY & SURETY COMPANY

DETROIT, MICHIGAN

RALPH J. DALY, Vice-Pres.

Affiliates: Lloyds Casualty Company *Cosmopolitan Fire Insurance Company of New York*

Metropolitan Life to Quit Writing Income Disability

Companies writing accident and health insurance are very much interested in the announcement made this week that the Metropolitan Life is to abandon its total and permanent disability plan as of Jan. 1 and will return to the simple waiver of premium clause. It is predicted that other life companies will take a similar course owing to the heavy losses that have been sustained on the potential liability. This clause has involved the companies in writing what is practically noncancellable health and accident insurance on very liberal terms.

Suit on Guaranty Bond

The city of New London, Wis., has filed suit for $72,000 against the Hartford Accident & Indemnity, which it asserts guaranteed that S. D. Nichols would perform his contract to pay out $1,000,000 in wages in New London in ten years in return for a cash bonus of $100,000 given by New Londoners to help the construction of the Nichols-Menzies Shoe Co. plant there several years ago. The plant has been closed for a considerable time.

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PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
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General Accident

FIRE AND LIFE

ASSURANCE CORPORATION, Ltd.

SERVICE THAT EXCELS

FREDERICK RICHARDSON, United States Manager

GENERAL BUILDING · 4TH & WALNUT STS.

PHILADELPHIA

Qualifying Power of Companies on Bonds to U. S. Government

The United States Treasury Department has revised its surety bond limits based on June 30, 1931, financial statements. Companies which are acceptable sureties on federal bonds along with their net limit on any one bond and capital structure follow:

	Capital	Surplus and Undivided Profits	Net Limit on Any One Bond
Associated Indemnity	$ 500,000	$ 754,812	$ 125,481
Fireman's Fund Indemnity	1,000,000	2,365,699	336,569
National Automobile	250,000	270,796	52,079
Occidental Indemnity	500,000	666,717	116,671
Pacific Indemnity	1,500,000	2,284,964	378,496
Aetna Casualty & Surety	3,000,000	9,983,952	1,298,395
Century Indemnity	1,250,000	525,326	177,532
Hartford Accident & Indemnity	3,000,000	7,002,963	1,000,296
†International Reinsurance	1,500,000	2,691,801	419,180
Saint Paul-Mercury Indemnity	900,000	276,001	117,600
Continental Casualty	3,500,000	3,485,610	698,561
Inland Bonding	300,000	257,660	55,766
Western Casualty & Surety	750,000	502,782	125,278
Union Indemnity	1,000,00	1,000,000	200,000
American Bonding	1,000,000	577,894	157,789
Fidelity & Deposit	6,000,000	4,496,305	1,049,630
Maryland Casualty	5,000,000	3,430,020	843,002
United States Fidelity & Guaranty	10,000,000	8,700,563	1,870,056
American Employers	1,000,000	503,649	150,364
Massachusetts Bonding	4,000,000	3,811,156	781,115
Central West Casualty	1,000,000	377,761	137,776
Detroit Fidelity & Surety	1,000,000	1,018,458	201,845
National Casualty	750,000	500,000	125,000
Standard Accident	2,500,000	1,015,283	351,528
Central Surety & Insurance	1,000,000	828,045	182,804
Employers Reinsurance	1,500,000	2,250,000	375,000
Bankers Indemnity	1,000,000	795,188	179,518
Commercial Casualty	1,000,000	1,294,705	229,470
†Excess	750,020	737,450	148,747
International Fidelity	300,000	1,462,322	176,232
Liberty Surety Bond	845,633	33,224	87,885
New Jersey Fidelity & Plate Glass	800,000	997,839	179,783
Public Indemnity	760,000	784,235	154,423
American Surety	7,500,000	5,528,499	1,302,849
Columbia Casualty	1,000,000	828,040	182,804
Commerce Casualty	750,000	400,000	115,000
Concord Casualty & Surety	571,760	220,065	79,181
Consolidated Indemnity	1,200,000	832,736	203,273
Eagle Indemnity	1,000,000	912,893	191,289
Fidelity & Casualty	5,000,000	2,773,033	777,303
General Indemnity	1,000,000	375,072	137,507
†General Reinsurance	1,500,000	770,333	227,033
General Surety	2,500,000	7,257,139	975,713
Glens Falls Indemnity	1,000,000	600,000	160,000
Globe Indemnity	2,500,000	5,000,000	750,000
Great American Indemnity	1,500,000	952,760	245,276
The Greater City Surety & Indemnity	262,500	147,322	40,982
Guardian Casualty	650,000	358,815	100,881
Home Indemnity	1,000,000	1,025,237	202,523
Lexington Surety & Indemnity	250,000	88,737	33,873
Lloyds Casualty	1,000,000	1,084,000	208,400
London & Lancanshire Indemnity	750,000	757,371	150,737
Metropolitan Casualty	1,500,000	1,194,399	269,439
National Surety	15,000,000	8,373,335	2,337,333
New Amsterdam Casualty	4,500,000	4,500,000	900,000
New York Casualty	1,500,000	350,183	185,018
Preferred Accident	1,750,000	1,968,019	371,802
Royal Indemnity	2,500,000	3,015,059	551,505
Seaboard Surety	1,000,000	552,995	155,299
Southern Surety	750,000	627,946	137,794
Standard Surety & Casualty	1,500,000	1,237,287	273,728
Sun Indemnity	1,000,000	814,967	181,496
United States Casualty	1,500,000	156,661	165,666
United States Guarantee	1,000,000	2,967,295	396,729
American Liability & Surety	500,000	965,747	146,574
Ohio Casualty	600,000	540,814	114,081
Alliance Casualty	1,000,000	882,493	188,249
†American Reinsurance	1,000,000	2,523,481	352,348
Commonwealth Casualty	.....	.....	.....
Constitution Indemnity	1,250,000	816,986	206,698
Eureka Casualty	500,000	828,788	132,878
Indemnity Co. of North America	1,000,000	2,927,691	392,769
Independence Indemnity	1,250,000	801,892	205,189
National Union Indemnity	1,000,000	209,335	120,933
Western Surety	286,900	125,613	41,251
American General	400,000	299,866	69,986
American Indemnity	600,000	209,119	80,911
Employers Casualty	300,000	177,041	47,704
Texas Indemnity	300,000	87,098	38,709
General Casualty	500,000	618,634	111,863
United Pacific Casualty	400,000	199,499	59,949

FOREIGN COMPANIES AUTHORIZED FOR REINSURANCE ONLY

	Net Assets	Qualifying Power
Employers' Liability	$6,220,012	$622,001
European General Reinsurance	2,500,000	250,000
Guarantee Company of North America	1,478,831	147,883
London Guarantee & Accident	4,252,895	425,289
Ocean Accident & Guarantee	4,053,553	405,355
United British	1,127,788	112,778

†Domestic companies authorized to do a reinsurance business only.

Cummings Now Manager

F. D. Cummings, who has been temporarily in charge of the Chicago branch of the Pacific Mutual Life, following the transfer of Jens Smith to the home office as assistant superintendent of agencies, has been appointed permanent manager. Coincidental with this appointment Mr. Cummings changed operations of the branch to a unit basis. Earl S. Rappaport, assistant manager under Mr. Smith, becomes field supervisor in charge of one unit; E. H. Johnson and C. N. Davis, who have been connected with the branch for some time, in charge of the two other units.

File Big Detroit Bank Claim

DETROIT, Sept. 30.—Claims have been filed by the Peoples Wayne County Bank of Detroit against the Fidelity & Deposit, alleging embezzlement against 14 officers and employes of the defunct American State Bank, covered by a $200,000 blanket surety bond written by the F. & D. and the Detroit Fidelity & Surety jointly. The embezzlement claims total more than $500,000 and are being investigated by J. F. Truitt, field agent for the carriers. A "first excess" bond for $150,000 was written by these two companies and a "second excess" for $100,000 by the Fidelity & Casualty.

Cleanup Committee Named to Round Up Companies

CALIFORNIA GETS IN LINE

Companies That Have Not Signed the Pledge Will Be Sought Out

SAN FRANCISCO, Sept. 30.—A "clean up" committee to round up the casualty and surety companies which have not yet signed up on the new casualty and surety rules as explained by James A. Beha and others during the last week in San Francisco and Los Angeles, has been organized in California. The personnel is R. E. Fay, Century Indefnity, chairman of the California Acquisition Cost Conference; Don E. Kessler, Employers Liability; Joy Lichtenstein, Hartford Accident; Robt. W. Forsyth, Indemnity of N. A.; C. A. Bonner, Aetna Casualty; W. B. Swett, Pacific Indemnity; F. R. Robinson, Globe Indemnity; A. I. Zimmerman, American Surety and I. J. Cary, Continental Casualty. The last three represent Los Angeles.

Foster Suggests Uniformity Need

(CONTINUED FROM PAGE 35)

the 18 states of this country which have passed financial responsibility laws have omitted or varied one or more of its important features. Second in importance is administration. These laws must be well administered, he said, and there must be good will of the administering officials. There also must be sufficient appropriations to make effective administration possible.

Insull Speaks for Utilities

Criticisms of the power industry by minority groups are symptoms of broader designs upon American industry as a whole, said M. J. Insull, Chicago, president Middle West Utilities. The real issue, he said, is the challenge against fundamental national principles and traditions of ownership and operation of industries by the people as individuals, and this is an issue important to insurance men. Mr. Insull said insurance also frequently is the object of similar attacks, and it is closely identified with the utilities through investment. "We both have been able to render our service at a lower price during a period when other prices have been higher," he said. "We both require a thorough public understanding of our business to the end that the spurious proposals to restrict them may not succeed in deluding those who depend upon us for our essential services; and especially to the end that we may not be used as a pretext for a more far-reaching attack upon this country's national principles and traditions."

Fish Hits Communist Activities

Congressman Hamilton Fish, Jr., gave a rousing patriotic speech urging reaffirmation of our belief in this republican form of government because it is the "soundest, fairest, most honorable and the best form ever devised." He recommended that Americans cherish and defend it against all its enemies, both from within and without, and serve notice that we do not propose to substitute communism, socialism or fascism. His subject was "Americanism versus Communism." He touched on the depression, said he was opposed to the unemployment dole because it tends to destroy individual incentive, and pointed out the world-wide organized communistic activities being directed from Moscow.

The Accident and Health Underwriter's Guide will be off the press soon! Write the National Underwriter for details.

Reciprocal's Michigan Records to California

LANSING, MICH., Sept. 30.—Arrangements have been made by the federal court receiver in California to push the liquidation of the defunct Casualty Association of America, Detroit reciprocal, found insolvent last July to the extent of $341,000. All records of the reciprocal have been shipped to Los Angeles where they will be available to the receiver, E. H. Marxen. It is now believed improbable, according to Paul G. Eger, assistant attorney-general, who handled legal aspects of the case for the department, that an agent of the receiver need be appointed in this state. Four-fifths of the Casualty Association's business was done in California and with the Michigan records at hand, it is believed the bankruptcy proceedings can be handled with expedition by the California trustee.

Past Equitable L. & C. Head Arrested Under Indictment

John Bain, former president of the Equitable Life & Casualty of Louisville has been arrested in Chicago at the request of Louisville authorities who charge him with embezzlement of funds estimated at $152,772 from the company. The arrest was made on a warrant of the Chicago municipal court and bond set at $50,000. Bain had been indicted by the Jefferson county, Ky., grand jury on two counts. He is alleged to have obtained the money by sales of stock, the proceeds of which it is claimed he failed to turn over to the company. He denied the charge and resisted extradition to Kentucky. He left the company about a year ago. He hazarded that the warrant was obtained by his "enemies" in the Equitable L. & C., who he said became disgruntled because the merger which he proposed with another company failed to go through.

After Bain's resignation, Samuel Clark became president. The charges under the indictments were embezzlement of a stock certificate dated Nov. 27, 1928, for 2,700 shares owned by Frank E. Gilkerson, valued at $135,000, and of five notes valued at $17,772.

Maryland Committee Named to Study Auto Compensation

BALTIMORE, Sept. 30.—The first step toward what may result in a limited form of compulsory automobile insurance was made this week when Governor Ritchie appointed a committee of five members to start a study of a possible automobile accident compensation commission, operated along the lines of the state industrial accident commission.

On the committee are J. F. Matthai, United States Fidelity & Guaranty, who is expected to be chairman; F. P. Stieff, P. D. Callum, chairman of the traffic committee of the Baltimore Safety Council; L. G. Blume and J. I. McCourt.

The commission was authorized by the last legislature following the introduction of a bill for the creation of a motor compensation insurance department and an insurance fund for the payment of damages to persons injured in auto accidents. It is therefore expected that the new committee will direct much of its inquiry along that line.

The specific purpose of the new committee, as outlined by the governor in accordance with the empowering resolution of the legislature, is "to study the problem of losses sustained through personal injury and property damage caused by motorists with a view of preventing such accidents and providing compensation therefor."

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aims to maintain Agency relations dedicated to the theory that the partnership interest best promises success and, in the light of this conviction, intends to foster methods fundamental to business satisfaction.

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CAPITAL $1,000,000

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Illinois and Indiana agents of the Illinois National Casualty are selling automobile insurance throughout the entire year. Manufacturers are now announcing the advent of new cars during the summer and fall as well as the spring. No longer do purchasers confine their buying activity to one particular season. When cars are sold, whether new or second hand, our agents find our Full Coverage Automobile insurance can also be sold. Our records show automobile insurance can be sold throughout the year because more than 75% of all the cars registered in the United States are uninsured. The potential automobile insurance market is three times greater than that huge field which has already been only tapped.

No longer a Seasonal Market

Our agents, by working in close contact with our Home Office executives who know conditions in the automobile insurance field, are always alert to place our Full Coverage policies which are sold at independent rates. Inquire about our year-round agency proposition.



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CHANGES IN CASUALTY FIELD

Oberdorfer Atlanta Manager

Resigns Fidelity & Casualty Connection to Take Charge of Georgia Business of Great American Indemnity

ATLANTA, Sept. 30.—Eugene Oberdorfer, Jr., has been appointed resident manager for Georgia for the Great American Indemnity and will operate from Atlanta. For a number of years the Oberdofer Insurance Agency of Atlanta, of which Eugene Oberdorfer is president, has been Atlanta general agent for the Fidelity & Casualty, a connection which is now severed. However, the new appointment applies to Mr. Oberdorfer as an individual and not to the local agency of which he is president.

Eugene Oberdorfer, Sr., who died a few months ago, was resident manager for the Fidelity & Casualty more than 35 years and the company and the name of Oberdorfer has been closely allied with the fidelity and casualty business for more than a quarter of a century. Under the tutelage of his father, Eugene Oberdorfer, Jr., has forged to the forefront in fidelity and casualty ranks and is among the recognized southern leaders in that field.

George Smith, for a number of years with the claim department of the Fidelity & Casualty, will become associated with Mr. Oberdorfer and will have charge of the claim department for the Great American Indemnity in Georgia. The Great American entered Georgia in July of the present year and it is said to have decided on this move only when it had found that Mr. Oberdorfer would take charge of its development here.

Ohio Casualty Will Handle Three States from Wichita

The Ohio Casualty has purchased the agency plant and business developed for the company in Kansas, Oklahoma and Missouri by the Kansas Underwriters of Wichita, general agent for the three states, and has opened a branch office in Wichita at 604 Temple building, with Jennings Adams as manager, to supervise the business of those states direct.

The Kansas Underwriters has managed the Ohio Casualty in these states for the past eight years, entering the company in Kansas and Oklahoma in 1923, and through its pioneering has developed a very attractive income for the company. The sale involves some 400 agents and an annual premium income of over $125,000. Under the supervision of the Kansas Underwriters a very favorable loss experience has existed and the Ohio Casualty was anxious to obtain the business and agency plant.

Willard Quinn, head of the organization, announces that the Kansas Underwriters will continue as general agents in the three states, representing several casualty and fire companies. Lee R. Merry is associated with Mr. Quinn in the management of the general agency.

Farley Back in Philadelphia

L. J. Farley, who has just rejoined the Philadelphia branch office of the Fidelity & Casualty, has had a wide experience in casualty and surety ranks. He is a native of Philadelphia and was at one time in charge of the Fidelity & Casualty's bonding department in that city. After an absence of five years from the company's service, he returns to aid Manager H. K. Remington in developing the company's business throughout eastern Pennsylvania.

ATTENTION CASUALTY EXECUTIVES
A casualty executive with many years experience is interested in making a change, would consider Home or Branch office connection. Location no obstacle—inquiries invited and kept strictly confidential. Address **U-29**, The National Underwriter.

Get F. & C. at Atlanta

ATLANTA, Sept. 30.—The Dickey-Mangham Company, Atlanta local agency, has been appointed general agent in metropolitan Atlanta territory for the Fidelity & Casualty. This general agency was recently resigned by the Oberdofer Agency.

The Dickey-Mangham Company is one of the outstanding agencies of Georgia. J. L. Dickey, Jr., president, and S. W. Mangham, vice-president, have long been identified with insurance affairs in Atlanta and have built up a large organization, composed of experts in their particular lines.

Darrell Johnson Resigns

Darrell Johnson, assistant manager of the Massachusetts Bonding's Chicago branch office, is resigning to return to his home town, Minneapolis, to open a brokerage office. He plans to take a vacation of several weeks before entering the field actively. Mr. Johnson was connected with the Massachusetts Bonding at Chicago for two years and prior to that had considerable insurance experience in Minneapolis. Manager Davidson of the Massachusetts Bonding has not yet appointed a successor.

L. F. Crossley Advanced

L. F. Crossley, who has been field assistant, casualty lines, for the last three years in the Worcester, Mass., branch office of the Travelers, has been promoted to assistant manager. Crossley will be associated with Wallace A. Ockerbloom, manager.

Not Yet Advised of Plan of Jewelers Association

NEW YORK, Sept. 30.—The burglary department of the National Bureau of Casualty & Surety Underwriters has not yet been officially apprised of the purpose of the American National Retail Jewelers Association to make a particular study of insurance policy forms and rates, and also to look into the matter of forming an insurance company for writing business of its members if such procedure seems advisable. The hazard of covering jewelry stocks is such that the companies have ever been careful in their acceptance of such risks. The great aggregate values of stocks held by the average jewelry house, and the ease with which loot of this character may be disposed of by robbers, impelling caution in handling the business on the part of underwriters.

Burglary Club to Meet

The first fall meeting of the Burglary Underwriters Club of Chicago will be featured by a discussion of the new storekeepers' robbery and burglary policy by Frank G. Grothe, superintendent burglary and plate glass department, Continental Casualty in Chicago. The meeting will be at noon Oct. 6 in the Great Northern hotel.

Kuhns in New Role

A. D. Kuhns, Chicago branch manager for the New Jersey Fidelity & Plate Glass and head of A. D. Kuhns & Co. there, has entered a new line of endeavor, that of catering to the wants of a brand nw baby son, one Victor Alan, somewhat over seven pounds, born Sept. 28. This is the first child of Mr. and Mrs. Kuhns.

ACCIDENT AND HEALTH FIELD

Pittsburgh Managers Elect

C. W. Elton, Connecticut General Life, Named as President of Club There for Coming Year

PITTSBURGH, Sept. 30.—The Pittsburgh Accident & Health Insurance Managers Association held its annual meeting last week. President Lon C. Jeffrey spoke on "Our First Year," reviewing the purpose of the organization and the results accomplished in the first year of the organization's existence. He stressed the importance of establishing a public relations committee with a view to better education of the public as to the value and practicability of accident and health insurance. He suggested that the committee should secure from members of the organization the total amount of money paid to policyholders for given periods, to let the insuring public know the percentage of their premiums companies represented in the club are returning to them in the way of benefits.

Out of town guests and speakers were D. C. MacEwen, vice-president and superintendent of agencies Pacific Mutual Life and president Health & Accident Underwriters Conference, and F. G. Burgoyne, assistant secretary Union Indemnity and president of the New York Accident & Health Managers Club.

New officers were elected as follows: President, C. W. Elton, Connecticut General Life; vice-president, W. A. Hopkins, Southern Surety; secretary, A. C. Feagan, Inter-Ocean Casualty; treasurer, F. P. Fletcher, Pennsylvania Underwriters Association.

L. C. Jeffrey, retiring president, was elected a director for three years.

The association has now 50 paid members, representing 40 percent of the accident and health business being written in the Pittsburgh metropolitan area.

Supreme Enters Newspaper Field

The Supreme Casualty of Milwaukee is issuing a $10,000 travel accident insurance policy for the Milwaukee "Journal," covering regular subscribers of the paper. The policy is reinsured by the Continental Life of St. Louis. It offers $10,000 for loss of life or permanent disability as specified in the policy if the holder is injured from wrecking of a railroad passenger car, passenger steamship or ferryboat; $5,000 for loss of either hand, foot or the sight of either eye if from injury outlined above, and $25 a week for 15 weeks for total disability as a result of injuries outlined.

CASUALTY ASSOCIATION NEWS

Occupational Disease Topic

Conflict in Law Regarding Age for Auto Drivers Also Discussed at Kansas City Association Meeting

KANSAS CITY, MO., Sept. 30.—The underwriting problems involved in the writing of compensation insurance in Missouri since the occupational disease amendment went into effect Sept. 1 were discussed by the Casualty & Surety Underwriters Association at its first fall meeting, with about 50 in attendance.

The general reaction was that the universal form policy absorbed the implications of the new amendment but it was brought out that apparently the employer is not covered unless he elects to notify the commission of his intentions of coming under its provisions. That the amendment offers no interference with the employe's common law rights and privileges is apparent.

There is as yet no charge for the additional hazard under the new amendment. It is likely, however, members of the association felt, that companies will ask for higher rates to meet the additional hazard.

Attention was called to the age-limit requirements for drivers of vehicles in Missouri. The legal age is 16, but in order to secure a license to operate a registered vehicle the driver must be 18. It is difficult to determine when the operator of commercial vehicles is violating the law. Ray Curran of the Curran Adjusting Company said the general opinion is that if the operator of a commercial vehicle is operating in violation of a state law there is no coverage under his policy. If the policy says "legal age for driving," it would be 16 in Missouri, not 18. What apparently has happened is that the Missouri legislature forgot to repeal the law making 16 the legal age, or else applied the 18 age limit to chauffeurs and hired drivers.

Marshall Heads Des Moines Club

DES MOINES, Sept. 30.—At the annual meeting of the Casualty & Surety Club of Des Moines, the following were elected as officers and members of the executive committee: J. H. Marshall, Massachusetts Bonding, president; K. G. Ellsworth, Aetna Casualty & Surety, first vice-president; F. H. Noble, American Surety, second vice-president, and Fred W. Appel, National Bureau of Casualty & Surety Underwriters, secretary-treasurer. J. D. Hall, U. S. Fidelity & Guaranty, retiring president, was elected to continue his services as the fifth member of the committee. A. W. Whitney, assistant general manager National Bureau of Casualty & Surety Underwriters, plans to be in Des Moines the week of Oct. 12, at which time the club plans to hold a meeting for the purpose of organizing a safety campaign in Des Moines for year-round activity. It is planned to have the meeting an open one in which the insurance commissioner, local agents and field men will participate.

Baltimore Club's Field Day

BALTIMORE, Sept. 30.—Close contests marked the playing in the golf and bridge tournaments which were features at the annual field day of the Casualty & Surety Club of Baltimore. In the golf tournament, Leslie Smith, United States Fidelity & Guaranty, had low gross and J. O. Honeywell, New Amsterdam Casualty, low net.

At the bridge tournament, honors went to the team from the Fidelity & Deposit, and the prize for the high score individual team was won by J. M. Parvis and J. O. Honeywell, New Amsterdam. The F. & D. team which won the tournament was composed of H. C. Nuttle, E. R. Nuttle, Harry Nicodemus, J. H. Shissler, Elmer McCahn, C. H. McComas, Frank Welch and J. H. Jackson.

G. P. Houston, president, presided at the dinner. Several hundred members of the club attended the affair and guests were present from Chicago, Omaha, New York and Washington.

The **Bankers Health & Accident** of Houston, Tex., has been admitted to Colorado and Oklahoma.

ESSENTIALLY

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Fidelity and Guaranty Fire Corporation

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Detroit, Michigan
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THE unusual, easy plan of paying Belt Casualty automobile insurance premiums appeals to both policyholders and agents. No longer is it necessary for agents to lose income because prospects are unable to pay the total annual premium at one time. The Belt plan enables a prospect to pay as he gets paid. This one feature alone has enabled Belt Casualty agents to close business that otherwise might be lost.

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Full information regarding the different Belt Casualty automobile propositions gladly furnished on request.

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WORKMEN'S COMPENSATION

Hold Texas Hearing October 8

General Emergency Rate Revision and New Longshoremen's Coverage to Be Taken Up Then

AUSTIN, TEX., Sept. 30.—The state board of insurance commissioners has given notice of a hearing Oct. 8 on a general emergency rate revision of workmen's compensation rates. The companies contend that rates in Texas are too low to enable them to meet their under compensation policies; that the rates provide no contingent loading, as in other insurance coverages, and that in many instances employers use only part-time employes and premiums are collected on this partial payroll, but compensation claims must be paid on an average weekly basis, when the employes suffer injury. Both insurance carriers and employers will be heard at the hearing.

At the same time a hearing will be held on rates, policy forms and endorsements applicable to longshoremen's and harbor workers' coverage provided by the last legislature.

Virginia Hearing Nov. 4

RICHMOND, VA., Sept. 30.—Petition for an average increase of 32.1 percent in rates effective Dec. 1, has been filed with the Virginia state corporation commission by compensation carriers and set for hearing Nov. 4. The proposed revision follows the emergency program developed by the National Council on Workmen's Compensation. Already 24 states have approved increases asked. The Virginia loss ratio for the policy year 1929 was 73.8 percent, compared with the permissible loss ratio of 59.5 percent.

Oklahoma Hearing Continued

OKLAHOMA CITY, OKLA., Sept. 30.—The hearing on workmen's compensation insurance rates before the state insurance board Monday was continued to Oct. 26 despite the protest of attorneys for the companies, which asked a 57.9 percent increase. The board granted all companies writing this class of protection the right to place their endorsement on policies issued on or before Oct. 1 carrying the rate to be adopted by the insurance board Oct. 26.

Interprets Illinois Law

Clarifying the Illinois law on occupational diseases, the attorney general holds that an employe who is engaged in certain enumerated manufacturing activities is entitled only to the benefits of the provisions of the workmen's compensation law, while others employed in manufacturing institutions in which the work or process may produce an illness or disease peculiar to the work or process carried on have a remedy at common law.

The processes in which occupational diseases are covered by the compensation law are, according to the official, as follows: Manufacture of sugar lead, white lead, lead chromate, litharge, red lead or paris green, or in the manufacture or smelting of lead or zinc.

Cooperate with Leather Men

TRENTON, N. J., Sept. 30.—Due to the large number of accidents in leather embossing in New Jersey, three committees have been appointed by the manufacturers to cooperate with the insurance carriers. A committee of the technical advisers to work with these committees has been named by the carriers, including O. D. Bayrer, Travelers; J. M. Ralston, New Jersey Manufacturers Casualty; A. O. Jackson, Aetna Life, and T. F. Smith, Compensation Rating & Inspection Bureau of New Jersey.

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Approved and Labeled by the Underwriters Laboratories and Associated Factories Mutual Insurance Co's
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Define "Weekly Wage" in Texas

AUSTIN, TEX., Sept. 30.—Bills have been introduced in the Texas senate defining "weekly wage" as used in the workmen's compensation law so as to assure full compensation, and to require payment of compensation from date of injury.

New York Awards 36 Million

ALBANY, N. Y., Sept. 30.—The New York department of labor awarded $36,000,000 compensation for accidental injuries for the year ended June 30. Although the awards totaled $800,000 more than in 1929 there were 6,800 fewer cases.

Maine Increase Effective

The increase of 8.9 percent in compensation insurance rates in Maine has been made effective by order of the insurance department.

PERSONALS

Earle F. Schroeder, assistant resident manager of the Fidelity & Casualty in Detroit, played host to a number of F. & C. agents who viewed the American Legion parade from the F. & C. office. Prominent visitors were John P. Old of Sault Ste. Marie and J. M. Wilson of Kalamazoo.

C. H. Squires, 66, Ohio Casualty adjuster in Memphis, Tenn., died suddenly of a heart attack in Knoxville, Tenn., recently.

W. O. Prater, special agent and engineer for the Columbia Casualty and Ocean Accident, has taken to the air. He covers part of Oklahoma, the Panhandle and a large portion of western Texas, and he found difficulty in covering the great distances in a hurry. So Mr. Prater studied flying and has recently been granted a private pilot's license. He has purchased a small plane and covers his territory now by air.

Unauthorized Agents Held

DETROIT, Sept. 30.—Sale of insurance without proper authorization is charged against Roderick and Frederick Vervane, arrested last week in Detroit, in connection with sale of memberships in the so-called North American Automobile Association, Included as one of the membership "services" is a limited accident policy issued by the Capital Mutual Casualty, Columbus, O., a carrier not licensed in Michigan.

Memberships were sold for $24.50 a year. The salesmen were said to have represented to prospects that the insurance policy included protected them against all public liability claims. This policy, however, is said to be of the same class as the newspaper "dollar policies." The club in its contract only agrees to provide defense of suits against members but not to pay any possible judgments.

An insurance library in two volumes! The **Fire, Casualty & Surety Bulletins,** published by The National Underwriter, is a necessity to every man who sells those lines.

Casualty Company Activities

Company Merger Is Complete

Combination of Independence Indemnity, Commonwealth Casualty and American Mine Owners Effected

Completion is announced of the merger of the old Independence Indemnity and Commonwealth Casualty, both of Philadelphia, and the American Mine Owners of Huntington, Pa., under the name of the Independence Indemnity, with J. Horace Shale, former general manager of the Commercial Casualty, as president and its general offices in Philadelphia.

The assets of the Independence Indemnity are now $13,849,587 and liabilities $10,599,587, giving policyholders' surplus of $3,250,000, of which $1,000,000 is capital and $2,250,000 net surplus. The liability items are: Reserve for losses, $5,950,005; unearned premium reserve, $1,698,561; reinsurance reserve, $2,096,704; reserve for contingencies, $736,315, and a reserve for miscellaneous items, including taxes, of $118,000.

The combined institution is under the direction of experienced officers. Its finances have been reorganized and its surplus strengthened. It has a large agency plant, well seasoned and familiar with its methods.

Contest on Receiver's Fees

California Commissioner to Appeal Federal Court Ruling in Lumbermen's Reciprocal Case

SAN FRANCISCO, Sept. 30.—Further legal action in the affairs of the defunct Lumbermen's Reciprocal is indicated in the announcement of Commissioner Mitchell that he will appeal the decision of Federal Judge Louderback that Samuel Shortridge, Jr., former receiver for the reciprocal, does not have to return fees and moneys received during his term as receiver.

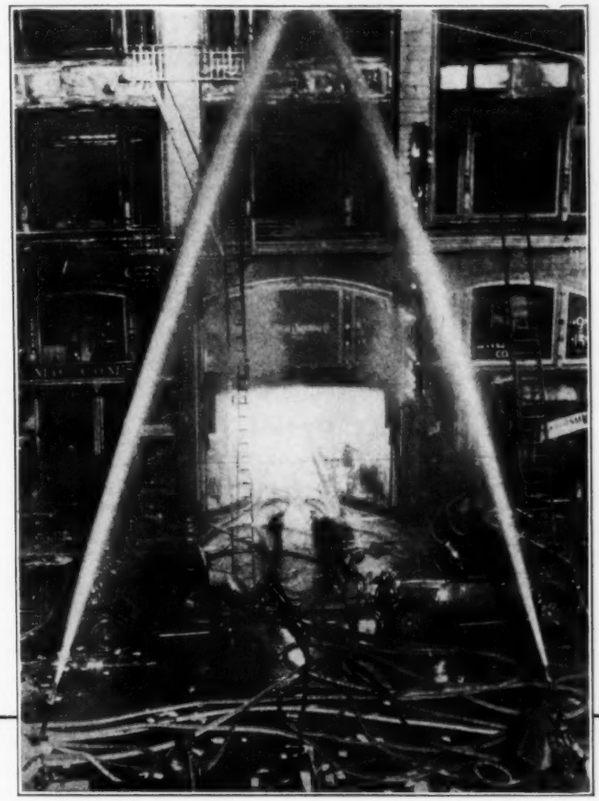
Commissioner Mitchell contends that Mr. Shortridge should return approximately $30,000 received by him and his attorney in fees and expenses before he was ousted as receiver. Mr. Shortridge's contention was that he should not only retain the money received but was entitled to additional sums. In this contention he was not upheld by Judge Louderback, although the judge contended that his appointment of Shortridge was entirely in order and that Shortridge could retain the money already paid to him. Of this $30,000, $13,000 represented receiver's and attorney's fees, while the balance, with the exception of a claim of $1,498 paid by him as receiver, represented costs of administration and overhead.

Commissioner Mitchell holds that all of this money (with the exception of the $1,498) belongs to policyholders of the reciprocal. If the circuit court of appeals reverses the devision of Judge Louderback as it did on the original appointment of Shortridge, the money will go into the commissioner's hands for administration as receiver.

Mr. Shortridge was originally appointed by Judge Louderback. Commissioner Mitchell then carried the matter to the circuit court of appeals, which reversed the appointment. An injunction was secured by the commissioner nullifying the appointment and when the matter was carried to the United States Supreme Court, that body refused to review the action of the appellate court.

M. J. Welhoelter, special agent for the United States Fidelity & Guaranty at St. Louis, has resigned.

OUT OF BUSINESS



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Point out the importance of Travelers Use and Occupancy insurance to your prospects. Protect them before a heavy loss occurs.

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